

# THE NATION'S BUSINESS

April  
1923



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JUN 29 1923

## Where American Business Stands

By George E. Roberts

## The Hole in the Nation's Pocket

By Congressman Underhill

## Flim-Flamming the Business Man

Being a letter back home

## What Has Happened to Rubber

By the Assistant Secretary of Commerce

## The Awakening of Cedarville

A story of too much organization



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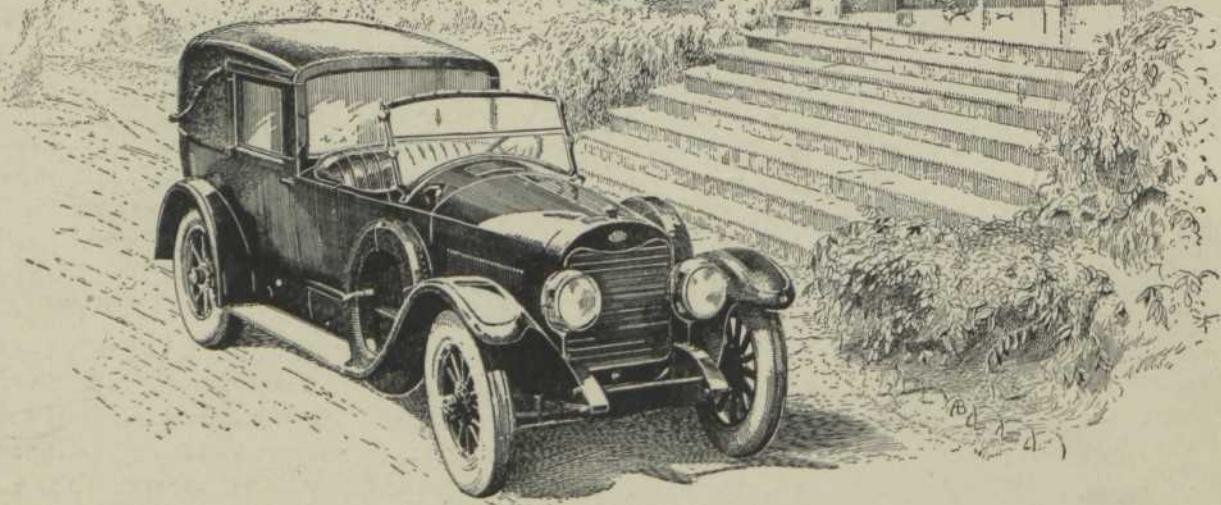
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There is no escaping the fact of Lincoln worth, any more than it is possible to lose sight of the exemplary facilities from which its goodness springs.

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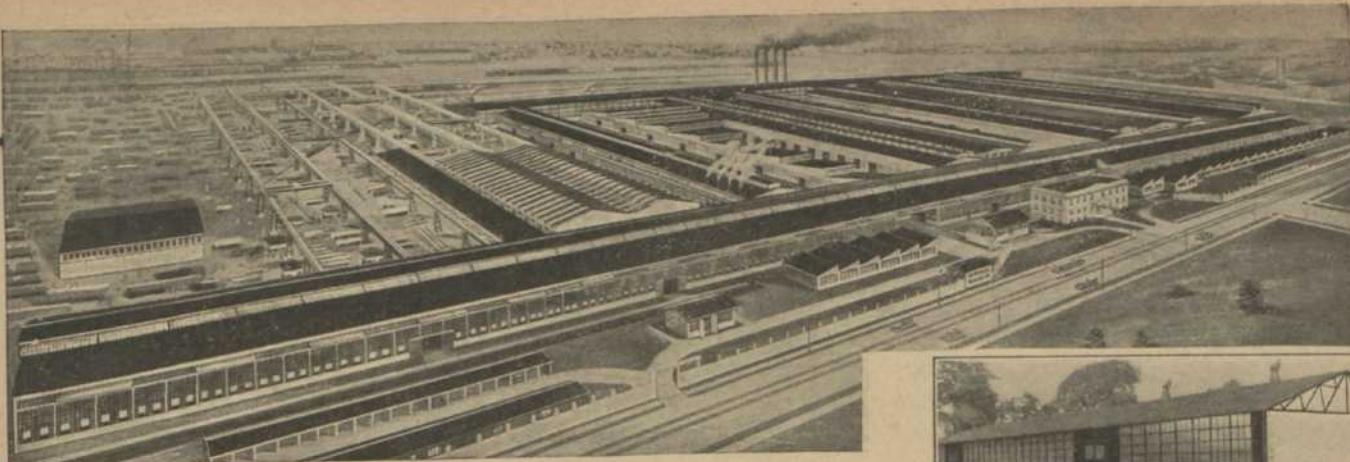
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DIVISION OF FORD MOTOR COMPANY, DETROIT, MICHIGAN



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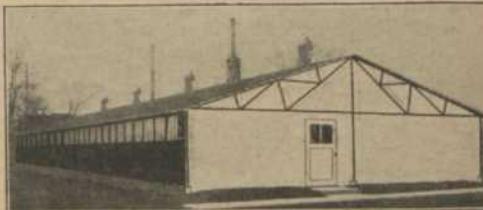
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The Nation's Business is published on the 25th of every month by the Chamber of Commerce of the United States. Mills Building, Washington, D. C. Subscription price \$3.00 a year; \$5.00 two years; \$7.50 three years; 25 cents a copy. Canadian subscription price \$3.50 a year; 30 cents a copy. Foreign subscription price \$4.700 a year; 40 cents a copy. Entered as second-class matter March 29, 1920, at the Post Office at Washington, D. C., under the Act of March 3, 1879.



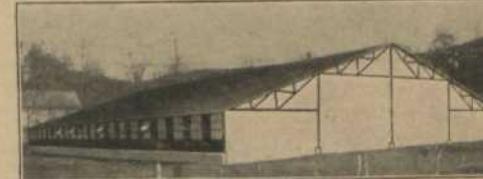
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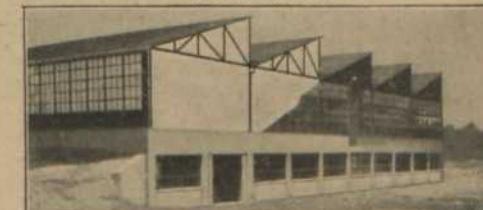
TYPE 3 (3 Bays) with Lantern  
Widths—56'-60'-64'-68'-72'-76'-80'-84'-88'-96'-98'  
106'-108'-116'



TYPE 4 (4 Bays)  
Widths—80'-100'-112' (4 Bays @ 20'-25' or 28')



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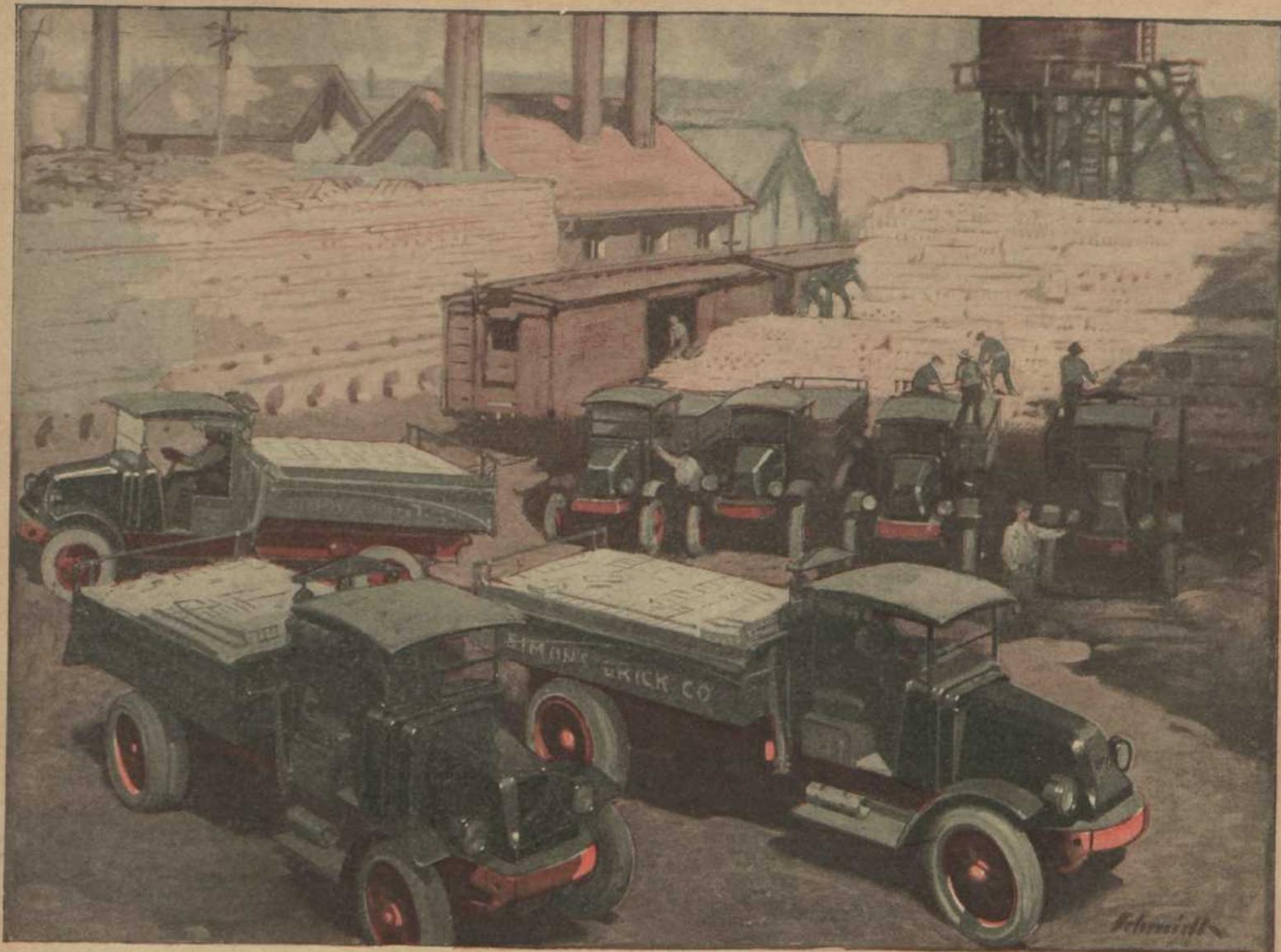
Send me useful building book and suggestions on building to be used for

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## 1800 INTERNATIONAL Motor Trucks Serve ONE Business Institution

WHAT do the big commercial institutions think of International Motor Trucks? How do International trucks stand in the estimation of well-known concerns whose hauling fleets run into hundreds and even thousands of trucks?

Conservative corporations buy motor trucks solely on an efficiency basis. Their transportation experts comb the market. They determine utmost value and economy after observing actual operating costs and performance over a period of years, making use of every practical test and comparison. Their choice is proof positive—a barometer for the guidance of individuals and firms at large.

Eighteen hundred International Motor Trucks now serve the leader in our list of large-fleet users. This leader and hundreds of other prominent industrial firms using trucks on a large scale have selected Internationals for the same economic reason—because they must have

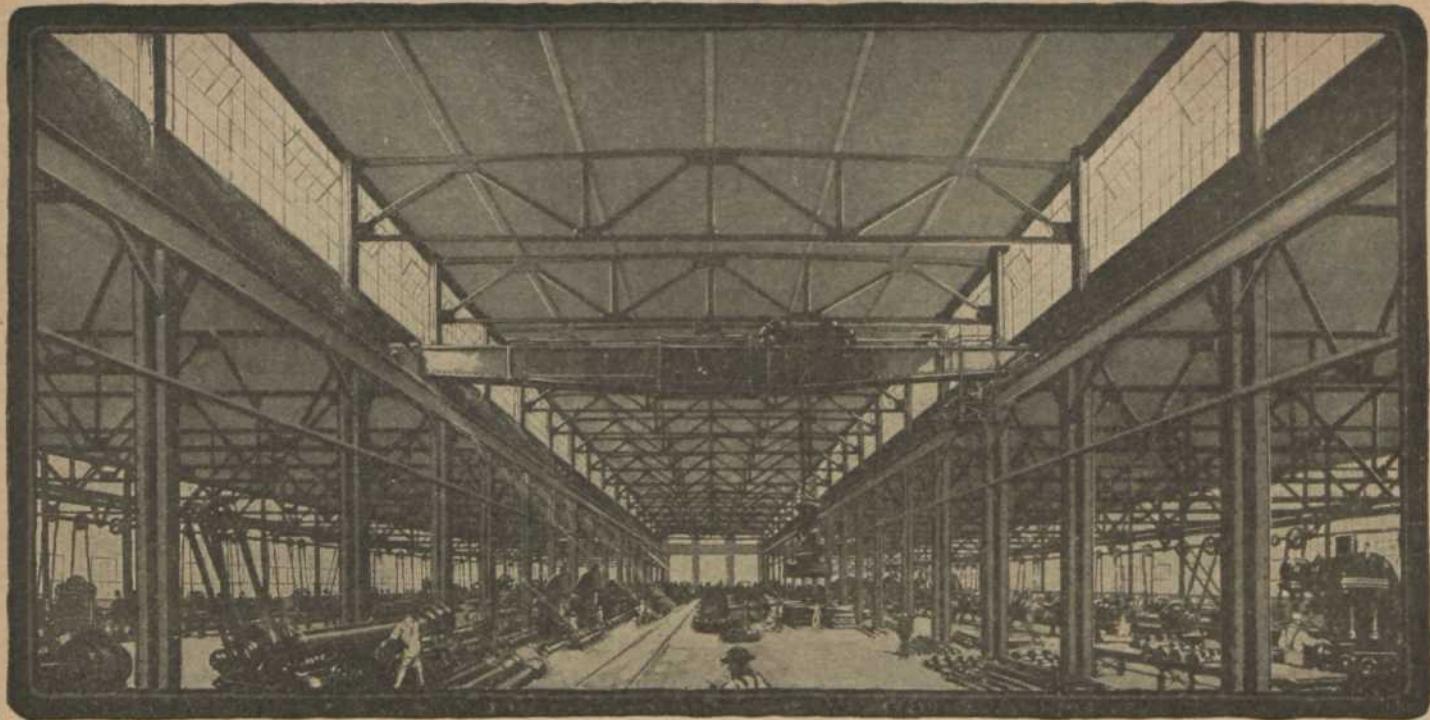
proven low-cost hauling. Among these users the number of repeat orders for Internationals tells a convincing story by itself.

Two immense plants now build International Motor Trucks. A third plant is under construction. Distribution and service are effected through ninety-three branch houses and a well-established dealer organization. Our Free Inspection Service Plan provides inspection four times a year for all International trucks during all the years they will be in service. These are some of the unusual elements that have placed our trucks with tens of thousands of careful investors and contributed to International Motor Truck success.

International Motor Trucks are built in fourteen sizes, ranging from the 2000-lb. Speed Truck to the heavy-duty unit of 10,000 lbs. maximum capacity. The line includes low-cost hauling equipment for all purposes, with body styles for every business.

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International Motor Truck Dealers' Contracts Are Still Available at a Few Points



Austin No. 10 Standard Building: Normal width, 150 ft., can be varied in multiples of 50 ft. Length, any multiple of 20 ft. Clearance, side aisles, 18 ft.; center 31 ft.

## 60,000 Sq. Ft. in 60 Working-Days

60,000 sq. ft. of this permanent, crane equipped structure of concrete, brick and steel will be completed under normal conditions in 60 working-days. This Austin No. 10 Type is well suited for machine shops, drop forge plants, railroad car

repair shops, car paint shops, foundries, automotive manufacturing, press shops, general assembly and erecting work and for warehouse purposes.

The specifications at the right show the permanent type of building you will have—

## 30,000 Sq. Ft. in 30 Working-Days

The cross section below shows Austin No. 2 Standard—an ideal type for light machine shops, foundries, light assembly plants, chemical plants, textile buildings, printing plants and general light manufacturing.

These delivery dates are made possible because The Austin Company has the pre-fabricated

steel in stock ready for immediate shipment. 12 Austin Branch Organizations will provide you with a localized building service wherever you may need additional facilities.



Cross Section Austin No. 2 Standard Building

*Excavation and Grading* for standard foundations and floors. Based on normal site and conditions.

*Concrete Foundations*—Depth 4 feet below floors.

Concrete floors 5 inches thick.

*Brick Side Walls*.

*Rolled Steel Side Wall Sash*, Fenestra, Truscon, Lupton or equal.

*Mechanical Sash Operators*, for monitor sash.

*Concrete Window Sills*.

*Structural Steel Frame*, center aisle columns punched for crane columns and girders.

*Roof Structure*, structural steel trusses, yellow pine purlins and roof sheathing. Trusses designed to carry 2,000 lbs. at any panel point.

*Roof Waterproofing*, 4-ply built-up composition roofing.

It will be a permanent substantial structure.

*Excavation and Grading* for standard foundations and floors. Based on normal site and conditions.

*Concrete Foundations*—Depth 4 feet below floors.

Concrete floors 5 inches thick.

*Brick Side Walls*.

*Rolled Steel Side Wall Sash*, Fenestra, Truscon, Lupton or equal.

*Mechanical Sash Operators*, for monitor sash.

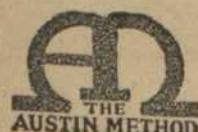
*Concrete Window Sills*.

*Structural Steel Frame*, center aisle columns punched for crane columns and girders.

*Roof Structure*, structural steel I-beams, yellow pine purlins and roof sheathing.

*Roof Waterproofing*, 4-ply built-up composition roofing.

Building literature will be gladly sent to you upon request. Phone, wire or use the coupon.



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Engineering Building Equipment



N.B. 4-23 We would be pleased to have a copy of your new booklet  
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Send us a copy of the new "Austin Book of Build-  
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We contemplate the erection of a  
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## This man was losing control of his business

HERE was a business where every surface indication pointed to great prosperity. Sales were piling up. Production was far behind.

And yet, the owner of the business didn't know whether he was making money or merely making motions.

His accounting department was too swamped with work to keep him intelligently informed.

### *The remedy is simpler than many men think*

One of the great services available to business men, perplexed by the inadequacy of their present facilities, is the experience of the Elliott-Fisher Company.

Get in touch with an Elliott-Fisher representative and you will find that in many instances he has met accounting problems

involving peak loads, delayed statements, trial balances, and other routine difficulties—and has suggested mechanical improvements which successfully overcame the trouble.

He will do more than clearly explain *these* things. He will point out how Elliott-Fisher ends duplication of accounting operations, enables the consolidation of writing numerous records in one operation, and proves the work instantly as each entry is made—thereby providing daily information while the facts are valuable.

Invite an Elliott-Fisher representative to call, without in any sense obligating yourself. It may result in light on your accounting problems that will be worth dollars and peace of mind to you. Write or telephone our nearest office.

ELLIOTT-FISHER CO., 342 Madison Ave., at 43d Street, New York, N. Y.  
Branches in All Large Cities

### *The ELLIOTT-FISHER IDEA*

Elliott-Fisher best meets the requirements of modern accounting by furnishing:

#### INSTANT PROOF OF ACCURACY

Without extra work or effort.

#### MAXIMUM PRODUCTION

The flat writing surface makes possible the writing of many records at one operation.

#### PERFECT LEGIBILITY

On original and required copies.

#### CURRENT INFORMATION

Facts and figures readily obtainable.

A quarter century of study and research has developed the Universal Accounting Machine—ELLIOTT-FISHER.

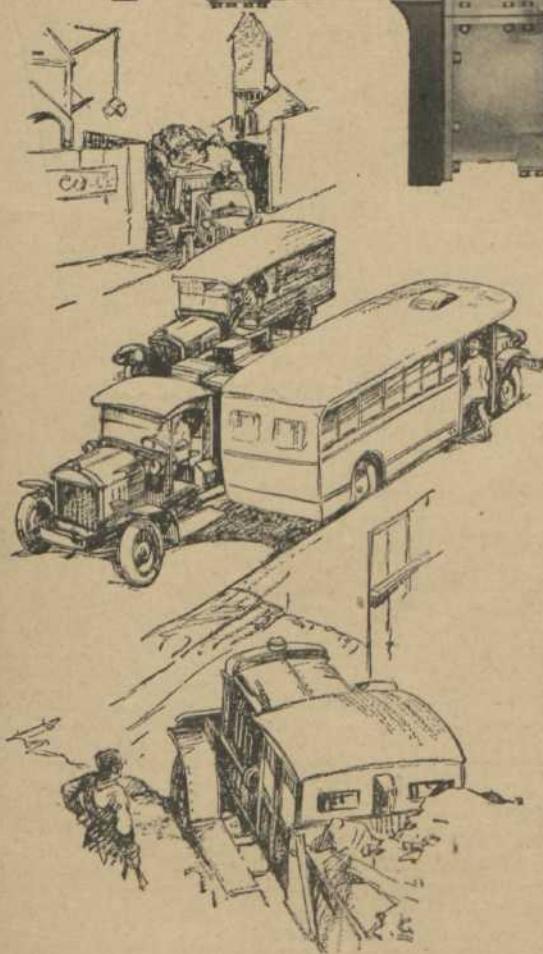
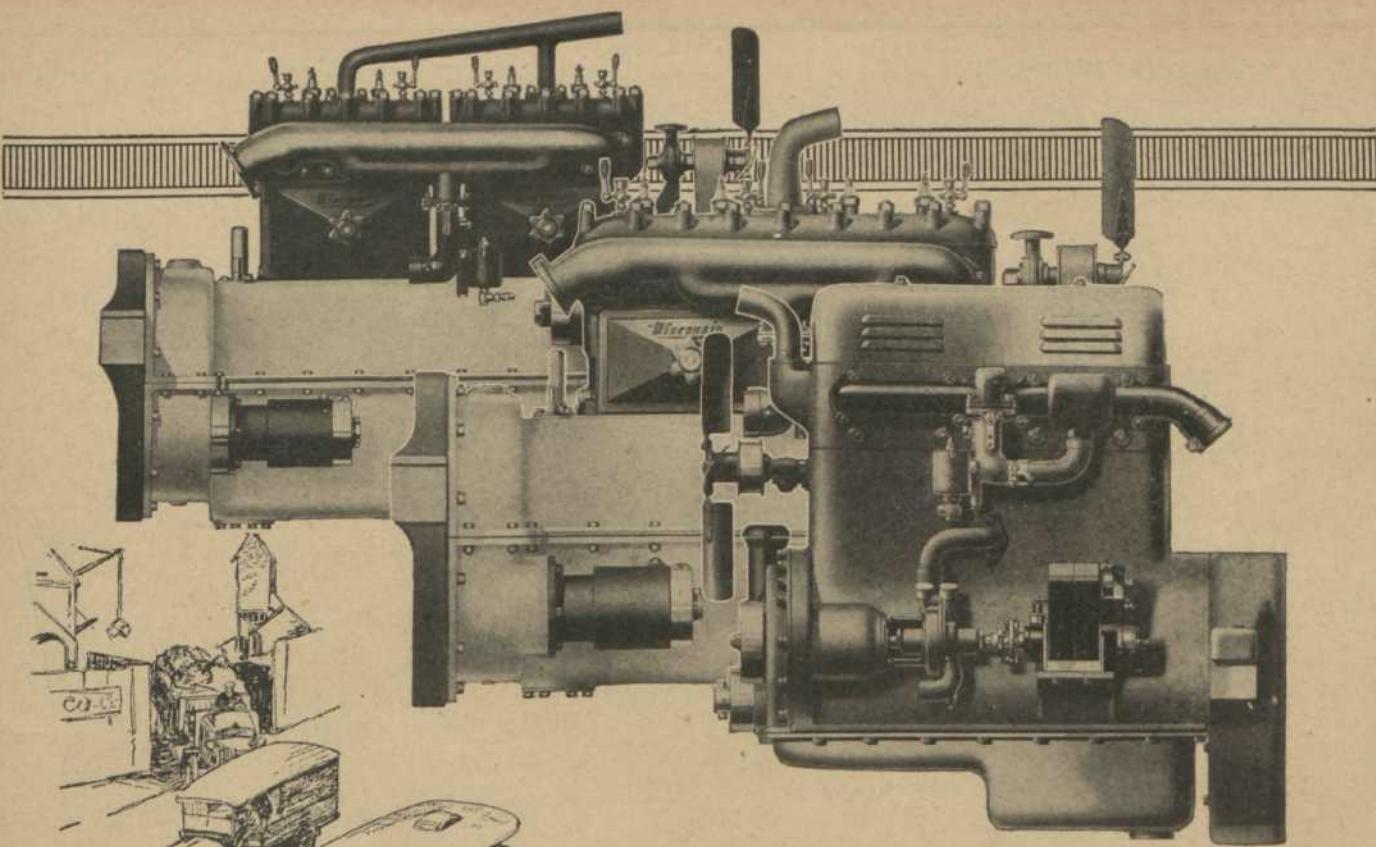
There is one which fits your business.



*A list of concerns using Elliott-Fishers reads like a "Who's Who" of American business in every field. The total exceeds 15,000 firms and covers more than 400 different lines of business. Investigate.*

# Elliott-Fisher

## Accounting and Writing Machines: Flat Writing Surface



## Servants of Industry

Wisconsin Motors—sturdy, enduring, honest in performance and construction—keep the wheels of industry turning with efficiency and economy on city street and country highway, at construction job, industrial plant, mine and quarry—in fair weather and foul.

They—and their brothers—cover every type of industrial requirement from farm lighting plant to huge power hoists; from light delivery trucks to 7-ton moguls of the road.

They are the outgrowth of the best engineering brains; the most modern production methods; the finest material and workmanship.

They cost no more. They will live up to your most rigid investigation.

**WISCONSIN MOTOR MFG. CO.**  
MILWAUKEE

WISCONSIN

Offices in New York,  
Cleveland, Chicago,  
Los Angeles, Seattle

*Wisconsin*  
CONSISTENT



Reproduction from a painting in oil, by Frank Swift Chase, of the home of Dr. Henry Van Dyke, Princeton, N.J.

*I open the window and make salute:  
"God bless thy branches and feed thy  
root!"*

*Thou hast lived before, live after me;  
Thou ancient, friendly, faithful tree."*

—Dr. Henry Van Dyke

Among prominent persons and institutions served by Davey Tree Surgeons are the following:

ROY A. RAINY  
W. C. MARMON  
MRS. F. A. CONSTABLE  
MRS. ZENAS CRANE  
EDWIN FARNHAM GREENE  
ILLINOIS WATCH COMPANY  
UNIVERSITY OF CINCINNATI  
MUTUAL BENEFIT LIFE INSURANCE COMPANY  
DOMINION PARK CO., LTD.  
SISTERS OF CHARITY OF ST. VINCENT DE PAUL

## A decaying tree cannot save itself

FEW living things are as utterly helpless, as defenseless in themselves, as the tree when it is attacked by internal decay. It can only wait to die—unless saved by human skill.

The inside of a tree is largely dormant or semi-dormant. The active growth and life are in and immediately under the bark. The wood-cells inside of a tree cannot protect themselves from disease and decay. The bark is Nature's protection. Every wound in the bark, from whatever cause, exposes the wood-cells to disease—and decay, ceaseless and progressive decay, is almost inevitable. That is why the service of Davey Tree Surgeons is essential to the health, and perhaps the life, of your trees. Like the tooth, when decay once starts, nothing but human skill can save it.

What does Davey Tree Surgery cost? That depends entirely on the amount of work required and what portion of it the client wishes to have done. In 1922 the Davey organization served 3581 clients. 75 per cent of these paid less than two hundred dollars each—that is, from two hundred down to very small amounts. You can buy as much or as little as you want.

*Davey Tree Surgeons are near you—if you live between Boston and Kansas City or in California. Write or wire nearest office for examination of your trees without cost or obligation*

THE DAVEY TREE EXPERT CO., Inc., 3704 Elm Street, Kent, Ohio.

Branch offices with telephone connections: New York, Astor Trust Building, Fifth Avenue and 42nd Street; Boston, Massachusetts Trust Building; Philadelphia, Land Title Building; Baltimore, American Building; Pittsburgh, 331 Fourth Avenue; Buffalo, 110 Franklin Street; Cleveland, Hippodrome Building; Detroit, General Motors Building; Cincinnati, Mercantile Library Building; Chicago, Westminster Building; St. Louis, Arcade Building; Kansas City, Scarritt Building; Los Angeles, Garland Building; Montreal, 252 La Gauchetiere, West.

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JOHN DAVEY  
Father of Tree Surgery

# DAVEY TREE SURGEONS

*Every real Davey Tree Surgeon is in the employ of The Davey Tree Expert Co., Inc., and the public is cautioned against those falsely representing themselves. An agreement made with the Davey Company and not with an individual is certain evidence of genuineness. Protect yourself from impostors. If anyone solicits the care of your trees who is not directly in our employ, and claims to be a Davey man, write headquarters for his record. Save yourself from loss and your trees from harm.*

## Through the Editor's Spectacles

FROM the fine commendatory letters which we have received this month, here is one from Mr. C. R. Manzer of Pittsburgh, secretary of the International Stamp Manufacturers Association, which goes into particulars:

I was just wondering if among the many letters you receive you have one from a Trade Association in reference to the helpfulness of THE NATION'S BUSINESS. In my particular case, I find in your March number articles of vital interest to any trade association on the following pages, as for example: "The Heraldry of Commerce," "Rubber Bounces Up and Down," "Cutting Down Waste," "Scraping the Obsolete," "Some Recent Federal Trade Cases," "Awning Manufacturers Won to Cost Accounting."

This is certainly service de luxe to trade associations. I do not know of any other magazine or paper that has the quantity of real information as is found in THE NATION'S BUSINESS.

Thanks, Mr. Manzer. That is a high percentage. It recalls a letter from Mr. Guy A. Henry, secretary-manager of the American Association of Wholesale Opticians, in which he stated that the January number looked good from cover to cover, but added, "maybe I hope it won't be so, for I am reminded of the editor whose friend congratulated him most enthusiastically telling him that every article and story interested him keenly. The editor's comment was, 'Great Scott! Was it as bad as that?' The editor's reaction was that if everything in the paper interested one person there wasn't the proper variety."

True philosophy of magazine building. Few persons like boiled tripe, but you'll find it on pretty nearly every restaurant menu.

**I**N THIS connection Mr. N. E. Degen, Pittsburgh Manager of the Aetna Life Insurance Company, winds up a letter with this paragraph:

Moreover, it may interest you to know that for the past two years ever since I have been a subscriber to your magazine, I have never found a single number without having in it some one article which in general is worth alone the "price of admission." Permit me to wish you continued success.

Such an expression gives us real solid comfort. Every editor strives to get one article in each number that will hit each reader. If we can do that with the ninety-odd thousand readers of THE NATION'S BUSINESS, we'll consider our batting average pretty high.

**J**UST as we wrote this and thought we were batting at least 300 editorially, along comes this letter from a good friend in Minneapolis and starts us thinking all over again:

I am wondering just what your object could be in publishing an article (thus giving some free advertising) to Senator Brookhart of Iowa.

He is against you and all your work and has every appearance of being a demagogue of the first water. Now why should you contribute your share towards his personal advertisement? As a subscriber, I thought I would probably be free from this sort of stuff in your magazine.

As we read the letter our mind went back twenty years and recalled an old vaudeville skit in which a Dutch comedian tried

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Vol. 11

No. 4

## THE NATION'S BUSINESS

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MERLE THORPE, Editor and Publisher

Managing Editor WARREN BISHOP Associate Editors BEN H. LAMBE JOYCE O'HARA

J. B. WYCKOFF, Asst. Business Manager VICTOR WHITLOCK, Director of Advertising

GENERAL OFFICES: MILLS BUILDING, WASHINGTON, D. C.

Eastern Office, New York	Central Office, Chicago	Cleveland Office
Woolworth Bldg.	Otis Bldg.	Cleveland Discount Bldg.
GEORGE K. MYERS	FRANK M. CROMMELIN	CLYDE A. STEVENS
RAYMOND BOWEN		

SUBSCRIPTION RATES: Three years for \$7.50 (full term); one year for \$3.00 (part term); single copies, 25 cents.

ADVERTISING RATES: Page \$600; 2 columns \$450; 1 column \$225; line \$1.55, per insertion.

As the official magazine of the National Chamber, this publication carries authoritative notices and articles in regard to the activities of the Chamber. But in all other respects, the Chamber is not responsible for the contents of the article or for the opinion to which expression is given.

to play a flute with direful results. "I can't understand it," he complained, "I blows into it so sweet, and it comes out so sour!"

**I**F OUR good friend will read the article—which I fear he did not—I doubt if he will assay the "free advertising" very high. Unless, that is, he has in mind the early English meaning of the word advertisement, "admonition, advice, warning." A sign post showing the best and shortest road is always good; so also is a red lantern warning away from a hole in the asphalt. Isn't it a part of our job to hang up occasionally a red lantern on the edge of an economic sink-hole?

**N**O ONE can say that THE NATION'S BUSINESS is blind to the importance of distribution. Pages, volumes almost, we have devoted to explaining distribution, to making it clear why distribution costs and how the high cost of distribution may be

lessened. The middleman, the warehouseman, the retailer, all who share in the labors and the profits of distribution, have marched through our columns.

Who, then, should welcome the artists to the ranks of simplified distribution if not THE NATION'S BUSINESS? They—these impractical visionaries who make pictures and statues—are abolishing the middleman; they are "straightening the road to market" as the farmer cooperative has it.

Art has established for itself a permanent exhibition and salesroom. We learn from the respected *New York Times*:

The project is an effort to apply the principles of big business to the marketing of American art. . . . The most energetic commercialism will be applied to advertising and pushing the sale of the works of the American artists who take advantage of this plan.

As we read the plan, we gather that the artists get reduced rent from a railroad-



## If Daddy Had Only Invested Four Minutes

Many a home has been deprived of husband and father because a man neglected to keep a check on his physical condition.

The time to take care of your health is when you have it. Once lost, it is hard to regain.

Our "Stay Well Service" gives you an accurate means of knowing your exact physical condition four times a year. Takes only FOUR MINUTES of your time. Enables you to KNOW if you are really well or if some internal disorder has started, which, if neglected, may develop into serious illness.

We do not give medical advice nor do we seek to supplant the services of your physician. Our SERVICE is to make a periodical urinalysis, and if there are indications of trouble we advise you to take our report to your doctor. He is thus enabled to give you proper treatment in time.

Thinking people consider our SERVICE as necessary as INSURANCE.

We will be glad to send you full particulars of the SERVICE; what it is, and what it costs.

**NATIONAL BUREAU OF ANALYSIS**  
N.B. 43 Republic Bldg. Chicago, Ill.

Please send me without obligation your book "Why People Die Too Young" and full particulars of your plan.

Name .....

Street No. .....

City .....

State .....

landlord and borrow the working capital from a large group of well-to-do men and women. Each artist puts up a picture a year to be paid for from the patrons' fund.

"In other words" (again we quote *The Times*) "the artists furnish pictures as collateral for a year for the sums advanced by the lay members or patrons as the capital for launching the enterprise."

Again we welcome the artists to the ranks of the cooperators and the simplified distributors and incidentally to the fold of big business.

**WE HAVE** long heard talk of the "dirt farmer" but we have never known just what made one. It seemed a waste of words, like talking of a "money banker" or a "flour-and-sugar grocer." But the demand for a dirt farmer on the Federal Reserve Board grew, and was granted. So we knew the dirt farmer existed. We turned to the amended Federal Reserve Act for a definition, but that only provided for "a fair representation of the financial, agricultural, industrial and commercial interests." No help there.

Then the President sent to the Senate, and that body confirmed, the name of Milo D. Campbell, of Coldwater, Michigan, to be a member of the Federal Reserve Board; and we knew that our dirt farmer was found.

To *The Washington Farmer* we owe these notes of a dirt farmer's career:

"Taught a country school in his teens."

"Before he was 21 was elected county superintendent of schools."

"A member of the Michigan legislature in 1885."

"From 1887 to 1891, Secretary to Governor Luce of Michigan."

"Later appointed State Insurance Commissioner."

"Later appointed chairman of the State Tax Commission."

"Has been President of the State Board of Prisons."

"At another time, Mayor of Coldwater, and United States Marshal for the eastern district of Michigan."

"In 1916 participated in the foundation of the National Milk Producers' Federation. Was elected first president . . . has held this position each year."

"From 1919 to 1920, chairman of the National Board of Farm Organizations at Washington."

"For many years [while all this was going on] has owned and actively managed two large dairy farms near Coldwater."

"In 1920 . . . a candidate in Republican primaries for the gubernatorial nomination."

"Is a familiar figure in Washington."

Mr. Campbell seems also to have dug in the pay dirt of politics.

**T**HE PLAIN TALKER came in again the other day. He'd been reading our articles on distribution, and he was moved to tell this:

"Some years ago I was in the Bahamas, and at Nassau a business man was showing me over the little city. Nassau then had no ice factory and got its supply by schooner from Maine.

"An ice boat had just got in, and my friend was talking about ice when he stopped and pointed to a large and impressive colored gentleman across the road. The negro had slung over his shoulder by a string a piece of ice, maybe 15 or 20 pounds.

"See him?" said my friend.

"Of course, I see him," said I. "But what about him?"

"Well," said my guide, "he's typical. Know what he's going to do with that ice?"



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Just nothing. He's got no more use for that ice than you have for a fur coat right now—and it was ninety or more in the shade. 'He hasn't any refrigerator, he keeps almost no food overnight, and he wouldn't drink anything with ice in it on a bet.

"But he's just got to have that ice because the white folks do. He'll put it on the doorstep in front of his shanty, and it'll melt. But he'll be happy. He's had ice, just like the Governor-General or anybody else. That's the nigger of it."

"But I said to myself then, and I've said it again since I read those pieces of yours about the high cost of distribution, that it's the white man of it, too. How much of the cost of things is due to just the demand, the wanting something because the other fellow's got one? But if we didn't want what the other fellow's got, maybe there wouldn't be quite so much 'get up and git' in the world, and we'd lose in the long run. I give it up."

THE International Chamber of Commerce is meeting in Rome in the week in which this magazine is being printed and distributed. At that Rome meeting is Ben Hall Lambe, one of the associate editors of *The Nation's Business*. We shall have from him next month an article in a business man's language on the international gathering and what it means to the business men of this country. The International has one great duty, which might be called "dredging the channels of commerce." In effect, it is to lower, or do away entirely with those barriers which Government of necessity erects across the highways of trade. In no sense is the International working against Government, but rather it seeks to work with Government to simplify commercial intercourse between country and country.

TWO GOVERNORS in widely separated states on the same day read messages to the legislatures. The coincidence lies in their recommendations in behalf of industrial interests.

Governor Davis, of Kansas, wants the Industrial Court of that state abolished. He believes it has failed to function and has proved too expensive. Of its far-reaching powers, he said:

Followed to the ultimate conclusion, the principles involved in the attempt to regulate wages and conditions through this so-called court would involve the state in the regulation of all business and produce state socialism, a result not at all to be desired.

Governor Morgan, of West Virginia, has urged the passage of legislation to assure the operation of basic industries. His views take form in this paragraph:

Strikes and lockouts are economic blunders, and in the interest of all the people I recommend the enactment of such legislation that will prevent the suspension of work, in at least our basic industries, pending adjudication of disputes.

"YOUR article, 'What the Railroads Would Like,' in the March number," writes a railroad executive, "covers the situation excellently, and the fourteen points, which Mr. Carter says railroad men regard as the 'road to salvation,' with one possible exception, tell the story exactly as I believe it is. So far as I know, the railroad men who favor Government control for car service, as Mr. Carter suggests in point 7, are exceedingly few in number, while a committee of competent transportation men have recently condemned in unequivocal terms a plan which sought to take the question of

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## Deaf Can Hear Says Science

### New Invention Aids Thousands

Here's good news for all who suffer from deafness. The Dictograph Products Corporation announces the perfection of a remarkable device which has enabled thousands of deaf persons to hear as well as ever. The makers of this wonderful device say it is too much to expect you to believe this so they are going to give you a chance to try it at home. They offer to send it by prepaid parcel post on a ten-day free trial. They do not send it C. O. D.—they require no deposit—there is no obligation.

They send it entirely at their own expense and risk. They are making this extraordinary offer well knowing that the magic of this little instrument will so amaze and delight the user that the chances of its being returned are very slight. Thousands have already accepted this offer and report most gratifying results. There's no longer any need that you should endure the mental and physical strain which comes from a constant effort to hear. Now you can mingle with your friends without that feeling of sensitiveness from which all deaf persons suffer. Now you can take your place in the social and business world to which your talents entitle you and from which your affliction has, in a measure, excluded you. Just send your name and address to The Dictograph Products Corporation, Suite 1302-R, 220 W. 42d St., New York, for descriptive literature and request blank.

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Watchmen's Supervisory Service

# Now—the Improved Stuebing!

Stuebing, the world's largest makers of lift trucks, has bettered its best. Refinements, such as these, further strengthen the good name of the Stuebing Truck for ease of handling and economy of performance.

**1** *Electric steel wheels* now are used to provide greater stamina. They are unaffected by sudden, heavy blows from elevator sills and floor ruts. They increase the life of the rolling gear threefold.

**2** *A seamless steel hydraulic check*, carefully machined and ground, adds to the effectiveness and safety of the new Stuebing. A ground steel piston rod makes the check absolutely leakproof.

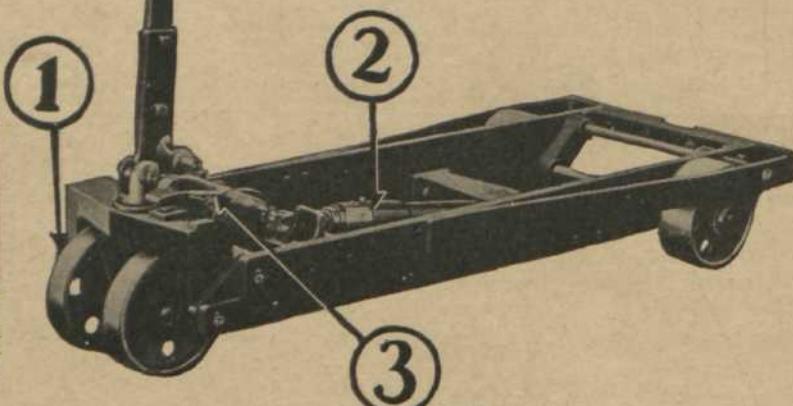
**3** *Steel construction throughout*—including the forward operating mechanism—makes the new Stuebing more powerful than ever. It insures long, troublefree service under the hardest trucking conditions.

Find out more about the new Stuebing. See for yourself why it is the greatest lift truck ever offered. Phone the Stuebing representative near you or write us today for full details.

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car supply out of the hands of the railroads—where it rightfully belongs.

"Mr. Carter certainly evidences an excellent insight into the transportation situation and I believe it will give business men a much clearer understanding of the problem confronting us. I hope you will print more of these articles."

**I** USED to be prejudiced against college men," a manufacturer told me. "But my observation of men in the army convinced me that I was wrong. You'd think that the best officers would be recruited from shop foremen and others who had had experience in handling men. But the facts were that the most capable officers were men who had never before done any executive work, but had been in college studying logic."

**A**RE FOLKS born honest or is honesty thrust upon them by home training and fear of the law? Whichever the answer may be there is much testimony that most men are honest.

In a recent NATION'S BUSINESS David H. Blair, Commissioner of Internal Revenue, gave us a cheering picture of the honesty with which most men meet their income tax problems. Now comes the head of the Personal Income Tax Bureau of New York State, who says that 90 per cent of the persons filing returns in the state "are honestly trying to meet their full obligations."

**W**E GIVE an increased amount of space this month in "The Log of Organized Business" to the doings of commercial organizations other than the United States Chamber of Commerce. The furthest thing from our minds is to "boost" any chamber of commerce, to give publicity for publicity's sake. The goal toward which we are striving is to tell of the activity of one organization in such a way that it may carry a lesson or a suggestion to some other body. In that we ask our readers' help.

**J**UST a line to re-introduce one or two old contributors and introduce one or two new ones.

None of our readers needs to be told much about George E. Roberts, Vice-President of the National City Bank. Mr. Roberts' reputation as a clear thinker and a writer of straight-forward, simple English on economic and industrial subjects is nation-wide. We have never had but one fault with Mr. Roberts, and that was that we could not get him into the magazine often enough. In fact, our immediate instinct when we have a tough job of business writing is to "let George do it."

**W**HEN we wanted to tell our readers something about Representative Underhill, who writes of the "Hole in the Nation's Pocket," we turned to the Congressional Directory. There his modest official biography said only:

Member Massachusetts Legislature for ten terms and Constitutional Convention; elected to the 67th Congress Nov. 2, 1920, by over 25,000 majority.

Not enough. We enquired around and learned that Mr. Underhill is a business man, that he began as an office boy, was graduated from that task to a seat as driver of a coal wagon, took a post-graduate course at blacksmithing, and is now head of the Underhill Hardware Company.

A typical American career; and if anyone has a right to scold the American business man, it's a fellow business man.

WE asked Claudius Huston, the Assistant Secretary of Commerce, to tell us what was going on in rubber, because Mr. Huston himself and his department as a whole, had been devoting much study to that question. Mr. Huston is a business man talking to business men, for he is an active manufacturer in Tennessee and has been president of the Chattanooga Manufacturers Association and the Chattanooga Chamber.

WE print, also, this month the second of two articles on how Europe is remaking her tariffs. This is by Henry Chalmers, the Department of Commerce expert on foreign tariffs.

Whatever Dr. Charles P. Steinmetz may say has that fascination which only imagination can give, for Dr. Steinmetz is not only a great scientist in his chosen field of electricity, but a far-sighted one who likes to deal not only with the actualities of today, but the possibilities of tomorrow.

THIS is not a fiction magazine, but there are times when some things can be told "fictionally" better, perhaps, than otherwise. That is why F. Stuart Fitzpatrick has, as it were, novelized Cedarville's disastrous essay at organization. Organization for business is a good thing. If it were not, neither the United States Chamber of Commerce nor the NATION'S BUSINESS would be in existence; but over-organization or organization for organization's sake without purpose, is just as much a bad thing. Mr. Fitzpatrick is assistant to Colvin Brown of the Organization Service Bureau.

In our series on distribution we have turned to the men best qualified to speak in each of the fields that lie between the producer and the consumer, which will explain, if any explanation were needed, why Mr. P. L. Gerhardt of the Bush Terminal Company is on the platform this month.

WHAT part did the word "subsidy" play in defeating the bill "to amend and supplement the Merchant Marine Act, 1920, and for other purposes"?

"Subsidy" has an unpleasant sound in American ears. So, too, has "bonus," and the proponents of the Soldiers' Bonus Bill did their best to make us talk and write of "adjusted compensation." But these are awkward words, and the bill lived and died—or passed into a coma—as the bonus bill.

There's power in words. "The full dinner pail" may not have made William McKinley President, but it helped. "Less Government in Business, more Business in Government" is long, but it played a part in a campaign.

"The living wage" rises as a war cry of a campaigner. A fine-sounding phrase! Who will stand upon a platform and say: "I am against the living wage."

But if by living wage we mean the fixing by the Government of a wage for the least skilled railroad labor which the railroads could not pay without greatly increasing their revenues, the phrase takes on a new significance.

But for a mouth-filling slogan which got 'em going and coming, which played a large part in a campaign last fall in an Iowa Congressional District, can history's pages beat this one? "He's a tool of the Non-partisan League of Wall Street!" For sheer audacity, Gargantuan invention, the candidate who sired that one should have received the palm of a democratic electorate. "The Non-partisan League of Wall Street." What do you read, my lord? Words, words, words.

M.T.

# Capital for Industry

We have large resources, a long experience in industrial financing, and an organization accustomed to giving prompt, intelligent and effective service.

We offer funds to sound companies requiring cash for extension, refunding or additional working capital.

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THIRST is the enemy of energy. Thus proper drinking water facilities are a most important consideration in planning your summer production.

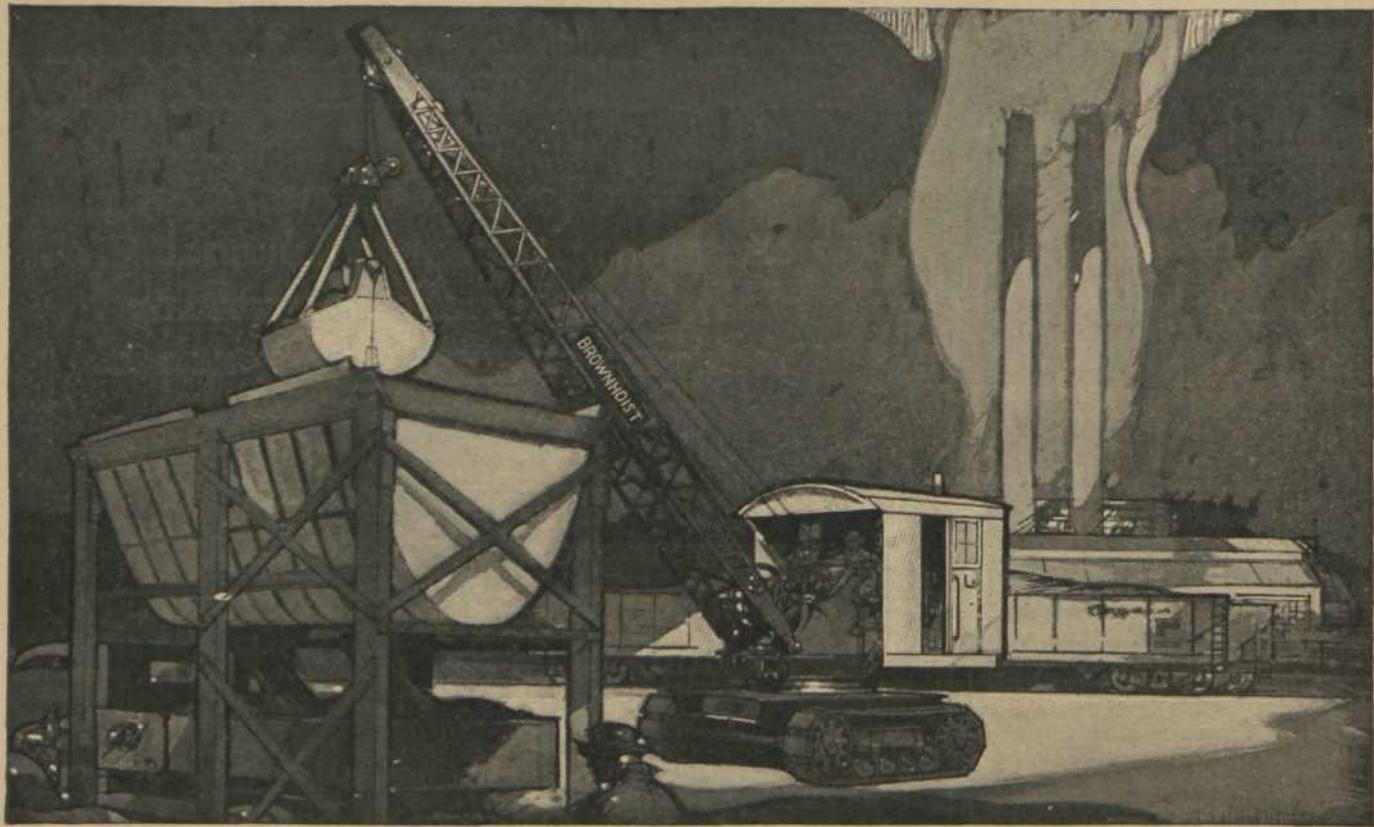
Jewett Square Water Coolers—installed in connection with the regular water system, provide an ample supply of refreshing, cooled drinking water that counteracts the energy-sapping effect of hot weather, and vitalizes and invigorates your workers.

Even though your plant is equipped with coolers, you may be interested in the numerous advantages of the Jewett: its convenient, sanitary angle-flow bubbler—and the decided saving in labor and ice from its square design and thick, insulated walls.

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**SQUARE WATER COOLER**



No. 2 Brownhoist creeper truck crane equipped with 40 foot boom and Brownhoist one yard clamshell bucket

## This Small Crane Will Cut Road Building Costs

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The Brownhoist contractors bin, shown above, meets the need for a good bin at low cost.

Brownhoist furnishes all steel parts, cut and drilled, including every bolt, nut and washer, together with blue prints giving complete instructions for erecting and a complete list of lumber required.

This bin is easy to erect, easy to move and can be re-erected a number of times.

Small in size and low in cost, this No. 2 Brownhoist Locomotive Crane has a remarkable handling capacity. It handles a one yard Brownhoist clamshell bucket easily and rapidly. The forty foot boom provides a wide handling radius and increased clearance for loading into bins.

In road building, large savings can be effected by the use of this crane in the handling of sand, stone, gravel, etc. The No. 2 Brownhoist is made with creeper trucks and four or eight wheel railroad trucks—powered either by gasoline or steam engine.

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# BROWNHOIST

MATERIAL HANDLING EQUIPMENT

# THE NATION'S BUSINESS

A Magazine for Business Men

VOLUME II, NUMBER 4

APRIL, 1923

## America Reports to Europe

By GEORGE E. ROBERTS

*Vice-President, National City Bank*

**B**USINESS conditions in the United States have undergone a decided change for the better since the meeting of the International Chamber of Commerce in London, in June, 1921. The time of that meeting corresponded rather closely with the low point of depression in America, the greatest unemployment and lowest state of industry and trade occurring in mid-summer of that year.

A slow improvement was noticeable in the fall months, price recovery in agricultural products became noticeable in the first quarter of 1922, and general trade and industry gained in activity throughout the year, although embarrassed by two serious strikes in the coal and transportation industries.

The coal strike lasted five months, and was finally settled by the resumption of operations upon precisely the same terms that were previously in force, but with the appointment of a national commission to investigate the industry and submit recommendations for such legislation or agreements as may be deemed necessary for the more effective organization of the industry and the prevention of such stoppages in the future.

The expansion of the industry and increase of mining costs during the war and the boom period following were largely responsible for the conditions causing the strike. In 1910 there were 5,818 coal mines in the country, and in 1920 the number had been increased to 14,766. With the coming of industrial depression, unemployment became a serious factor in the industry and efforts to reduce wages were made more difficult because of inability of the mines to afford regular work.

### Fuel and Railway Costs

**T**HE increased cost of fuel and the increased cost of railway service as compared with the pre-war period are both leading factors in the maintenance of industrial costs 50 per cent or more above the level of the pre-war period, but higher wage scales throughout industry share in that responsibility. In general it may be said that farm and natural products suffered a great and precipitate fall of prices in the latter part of 1920 and in 1921, while labor and the products of hired labor did not decline in like degree, and the result was a serious disruption of the relationships normally existing between important branches of industry and large bodies of the population. The result was a falling off of trade and stagnation in industry.

The precipitate fall in the prices of agricultural products is shown by the figures of

**A**S THIS edition of THE NATION'S BUSINESS goes to its readers, the accompanying article by Mr. Roberts is being presented to the meeting of the International Chamber of Commerce at Rome. It is a clear statement of where the business of this country stands today. There is in it no mere parading of our national greatness. It sounds here and there a note of warning. It is, in effect, the American answer to an economic roll call of the nations.—THE EDITOR.

the United States Department of Agriculture, estimating the average value per acre of the ten principal crops, combined, to wit: corn, wheat, oats, barley, rye, buckwheat, potatoes, hay, tobacco and cotton, for years, named, as follows:

1913 .....	\$16.49 per acre
1919 .....	35.74 per acre
1920 .....	23.26 per acre
1921 .....	14.52 per acre

### Farm Prices Fell Too Far

**T**HE decline in 1921 to a value below that of 1913 is now seen to have been unwarranted. It was due to the unsettled state of the markets and lack of knowledge as to what Europe's purchases in the United States would be. In fact, although our exports of some products to Europe have declined heavily from what they were in war times exports of foodstuffs have not on the whole fallen below what they were in the pre-war years, and as this has been demonstrated price recovery has set in, and now has gone far enough materially to improve the economic position of the American farmer.

The farm production of the year 1922 is estimated by the Department of Agriculture to have had a value approximately \$2,000,000,000 in excess of that of the year 1921. The most important single item in this increase is in the cotton crop, the price of cotton having advanced abnormally on account of the reduction of world stocks, and the menace of the insect pest, the boll weevil, which threatens seriously to curtail crop yields until some remedy for it is found.

Notwithstanding the ravages of the boll weevil the cotton crop of 1922 was a profitable one to growers, the rise of price having more than compensated for the reduced yield.

The stability of grain production in the United States resulting from the wide expanse of territory over which the crops are grown, is shown by the following figures for the combined yields of five principal grains,

corn, wheat, oats, barley and rye, as computed from official sources.

Year	Total Bushels
1922 .....	5,244,026,000
1921 .....	5,178,436,000
1920 .....	5,787,714,000
1919 .....	5,308,782,000
1918 .....	5,309,493,000

Although agriculture is still at a disadvantage in the exchange of its products for the products and services of the other industries, its position is so much improved as to be no longer critical. Banking conditions in the states where agriculture is of predominant importance have greatly improved, and general trade, which in 1921 was very much depressed, is resuming normal proportions.

### Building Is Catching Up

**T**HE marked feature of industrial revival in the past year has been the resumption of building operations over the entire country on an unprecedented scale. This is a natural development, due to the fact that building operations were curtailed during the war under official authority, and had not reached normal proportions at any time since the war, owing to the high costs prevailing.

At the beginning of 1922 seven years have passed in which building operations had been subnormal, and the pressure of a growing population had created an irrepressible demand for more house room. A considerable decline in building costs had taken place, although they were and are now much above the pre-war level. However, the demand had increased to the point where it would no longer be stayed, and the year 1922 broke all the country's records for the construction of dwellings. Public buildings also had been held back and construction in this line was in important volume.

The enormous increase in the number of automobiles in use has had the effect of stimulating highway construction. Prior to the common use of the automobile, highways in many parts of the United States were poor, but the automobile has caused a popular demand for hard-surfaced roads. The year 1922 was the year of greatest expenditures upon highways in the history of the country.

The railways of the United States were taken over by the Federal Government for operation during the war, and returned to their private owners on March 1, 1920. The pressure upon the industries during the war was such that all construction work not imperatively necessary was postponed to a more favorable time, and the usual expenditures for the replacement of equipment were not made.

When taken back various financial adjustments were necessary, including rates and wages, before the owners felt at liberty to incur large expenditures for equipment and the expansion of facilities. In 1921, as a result of the industrial depression, traffic fell off about 25 per cent, and the pressure for additional facilities was not felt. With the beginning of the business revival it became apparent that rolling stock must be replenished, and the contracts let in 1922 were larger in the aggregate than for many years.

The resumption of construction work upon the scale indicated above signifies general activity in the industries. The building trades were fully employed during the season of outdoor work, and the building material industries were operating close to capacity. The outlook is that they will be so engaged during the season now about opening. This includes the manufacture of lumber, steel, hardware, cement, plaster, brick, etc., and also the industries which manufacture house furnishings, as furniture, rugs, carpets, draperies, wall-paper, and articles of household equipment.

#### Steel at 90 Per Cent Capacity

THE steel industry is operating at approximately 90 per cent of the capacity of the plants, which was much enlarged during the war, and is restricted by want of labor.

The cotton goods industry in January last, for the first time, had more than 35,000,000 spindles in active operation, and consumed during the month 610,375 bales of cotton. The woolen cloth and silk industries also are fully employed. The importations of raw silk into the United States in the past year have been the largest on record.

All textiles are advancing on the strength of advances in the raw materials. The prices upon finished goods for the past year have been below the parity with the prices of raw materials at any given time, and that is the situation at the present time. The present state of full employment for the wage-earning class at high wages, of course, is an important factor in the consumption of textiles and other staple goods.

The automobile industry has advanced in comparatively few years to a very important place in the industries of the United States. The total number of passenger and commercial cars produced and sold in 1922 was 2,527,000 with a wholesale value of \$1,558,567,000, against 2,205,197 produced in 1920 and 1,668,550 produced in 1921.

The *Monthly Review* published by the Federal Reserve Bank of New York in the number issued on March 1, 1923, expresses the opinion that industry and trade throughout the country is now at or near the maximum productivity of 1919-20. The same authority makes the following statement of percentage figures indicating gains in industry and trade since the low points were touched in 1921 and with one year ago:

#### Percent

Industry—Production, measured by the index of output in 22 basic industries, has increased since July, 1921 ..... 54

Employment, measured by the number of workers, employed in New York State factories, has increased since July, 1921 ..... 23

Trade—Wholesale trade in this district, measured by the sales reported by representative dealers in 10 lines (with allowance made for seasonal changes), has increased since July, 1921 ..... 31

Retail sales in this district, measured by the reports from 60 department stores (with allowance made for seasonal changes), has increased since September, 1921 ..... 13

Bank transactions in 140 centers outside

New York City, measured by debits to individual accounts (with allowance made for seasonal changes), have increased since July, 1921 ..... 32

Prices—This bank's index of wholesale prices of 20 basic commodities increased from June, 1921, to Feb. 24, 1923 ..... 30

The Department of Labor index of wholesale prices increased from January, 1922, to January, 1923 ..... 13

The cost of living, measured by the index of the National Industrial Conference Board, increased from June, 1922, to Jan. 15, 1923 ..... 2

Wages—The hiring rate of wages for unskilled labor in this district increased from April, 1922, to Jan. 15, 1923 ..... 16

Average weekly earnings of workers in New York State factories increased from April, 1922, to Jan. 15, 1923 ..... 9

In general, it may be said that labor is now fully employed in the United States, and that the tendency of wages is upward. This situation was reached last August, when an advance of 20 per cent to common labor was made throughout the steel industry and promptly met in other lines throughout the regions in which the steel industry dominates the labor situation.

Since that time the demand for labor in many lines has increased, but the winter season has caused some relaxation in other lines. With the opening of spring it is more than probable that competition for labor will become sharper, and some apprehension is felt that an inflation of industrial costs and prices similar to that which took place in the latter part of 1919 and the early months of 1920 will be again experienced. If so, it will undoubtedly tend to turn export business away from the United States and to the competing industries of Europe.

There is no better index of the activity of trade and industry in the United States than the volume of railroad traffic. The total number of cars of revenue freight loaded in the second half of 1922 was 23,465,127, which compares with record loadings of 23,646,749 in the second half of 1920, or less than 1 per cent under the highest figures for any six months in the history of the country.

#### Revival from Within

IT will be seen from the foregoing that the business revival in the United States has been due to causes within the country, coupled with the fact that, contrary to apprehensions entertained in 1920 and 1921, the exports of domestic products have been maintained above the figures of such exports in the pre-war years. In other words, America in each year since the war has not failed to sell as much in both quantity and value as in the years preceding the war.

This fact has been a powerful factor in restoring confidence, and the necessity for making good the deficit in many lines of construction has furnished the impetus required for the revival of industry. Probably no other line of activity reaches throughout the country so completely or touches so many industries as house-building.

The foreign trade of the United States in the year 1913 consisted of imports—\$1,793,038,480, and exports \$2,484,310,429, with a favorable balance of \$691,271,949. Exports increased enormously in the years following, and in the year 1919 the favorable balance was more than \$4,000,000,000. Of course the rise of prices was a large factor in the increase. Since 1919 the decline of prices and the return of trade to a more normal state have caused a steady reduction of the figures until for the year 1922 the favorable balance was only about \$720,000,000, or but

slightly larger than in 1913. The low point of imports was \$178,000,000, in the month of July, 1921, and the high for imports since has been \$294,000,000 in November, 1922. The average of imports per month in 1922 was \$256,466,000. The low point for exports since the war was in February, 1922, at \$250,600,000, and the high was in November, 1922, at \$380,000,000.

The banking business with the public in the United States is carried on by local banking institutions operating under state and federal laws. Not quite one-half of these institutions are organized under the national banking act. The remainder are under the banking laws of the several states. In addition to these systems, or in a sense superimposed upon them, is the system of Federal Reserve banks, twelve in number, organized under federal law.

#### Inflations Up and Down

THE general expansion of bank credit from the beginning of the war to the middle of the year 1920, and contraction to the middle of the year 1921, may be judged by the figures for the loans and discounts of the national banks. On June 30, 1914, they aggregated \$6,430,069,214; on June 30, 1917, shortly after the United States entered the war, they had reached \$8,818,312,000; on June 30, 1919, had reached \$10,574,838,000, and on June 30, 1920, stood at \$12,396,900,000. One year later, June 30, 1921, they had fallen to \$11,125,099,000, and on June 30, 1922, they were at \$11,248,214,000, from which at the date of the last statement, December 29, 1922, they had risen to \$11,599,668,000.

The Federal Reserve banks did not begin operating until November, 1914, and just before the United States entered the war, their total bill-holdings aggregated \$106,271,000. At the end of June, 1919, they had increased to \$2,122,598,000, and on October 8, 1920, reached the highest point of expansion, \$3,101,361,000. From this point, with the decline of prices and falling off of industrial activity and trade, the bill-holdings of the reserve banks declined steadily until they touched the low point, \$380,486,000, on July 26, 1922. From this, they had risen to \$803,438,000, at the beginning of the current month (March, 1923).

In the period of declining trade activity the local banks of the country found employment for a large amount of idle funds by resorting to the market for investment securities, and now have large holdings of these.

At the present it is believed that banks have a comparatively small amount of idle funds and that a continuance of the present state of business activity and rising prices will result in increased resort to the Federal Reserve banks, and probably force a general advance of interest rates.

At present the discount rate at all of the Federal Reserve banks is 4½ per cent. These rates are below the current market rates today everywhere in the country, and advances therefore may be expected at an early day.

In conclusion and summing up, the industries of the United States at this time are busy practically to the limit of the labor supply, commodity prices have recovered from the abnormally low levels to which they had fallen in 1921, and both wages and prices are tending upward.

A moderate degree of credit expansion has taken place in the past year, and with the large gold reserves held by the banking system and the degree of confidence now being manifested in business circles, there is reason for apprehension that the country may be on the verge of a period of credit and price inflation.

# Some Day We'll Make Food Faster

By CHARLES P. STEINMETZ

THE TWO great problems of the future towards which the world is driving are: the problem of energy and the problem of food supply.

The one energy source which is available today is the light of the sun, in comparison with which the total energy supply of all the fuel we burn and the hydraulic energy available is nothing.

While the total energy of all the coal and all the water power we have and use in a year does not amount to more than a billion kilowatts, the energy of the sun, which shines only upon that part of the United States which is arid and cannot be used for agriculture, is about 800,000,000,000 kilowatts, nearly 1,000 times as much as all the coal and water power together.

So there is a source of energy vastly greater than anything that we are using now, or that we could possibly use. There would be no scarcity if we could open up this source of energy, but we have no means of utilizing this solar energy economically, because it is so widely distributed or diluted.

There have been solar heat engines built in which the solar heat energy has been concentrated by reflectors, but economically, in considering the world's energy supply, it is out of the question.

And that brings me to a new field—that of biological engineering. While this field is not entirely new, yet relatively little has been done in it. Men like Burbank have done wonderful things in evolving new plants. His work is real engineering, but the materials with which he works are living plants.

When we first began to use the sugar beet in sugar production, not only was the beet very much smaller than its present average size, but it contained less than half the percentage of sugar that is contained in the sugar beet of the present time. So, in this case, biological engineering more than doubled the content.

The energy which we use now, after all, is solar energy, because when we burn coal we are using the sunlight which was stored millions of years ago by the plants in the primeval forests during the Coal Age. When you use water power you are using solar energy which evaporated the water and was carried up into the clouds, whence it was condensed and deposited on the highlands, and now runs in the rapid river, to be collected by us and made to turn the wheels.

How could we collect this energy and concentrate it? The only solution of the problem that I can see lies with the biological engineer. The leaves year after year collect the energy of the sunlight, absorb it through the chlorophyl and pro-

GRASS to steer to stomach seems too long a route to Dr. Steinmetz. Perhaps the answer is the making of protein by micro-organisms where new generations are matters of seconds and minutes, not months and years. That's one thing that a brilliant imagination sees ahead. Another is the power from the sun's heat. But neither will come tomorrow. We'll keep our cattle and our steam engines a while longer.—THE EDITOR.

duce chemical compounds. We have all around us the collection of solar energy by plant life, but it takes a lifetime for a forest to grow and collect energy.

Why could not the biological engineers of the future develop new forms of vegetation which would collect the sunlight at a rate hundreds of times more rapid than our present vegetation collection scheme. Perhaps the tall grasses might be the starting point from which, by a process of selection, during the generation after generation, we could work toward new varieties and find new species which would grow at such a rapid rate that we could raise energy crops, and so collect energy from our lands to supply our needs, especially if we can obtain high-grade energy directly, without going through the transformation of heat.

In the production of food we use two classes of compounds, the carbo-hydrates and the nitrates, the first of which are essentially heat-producing, and the second life-giving.

The carbo-hydrates will be taken care of by the energy crops already mentioned. Then there would remain the problem of the nitrogen, the protein supply of the world.

As we get it from cereals and meats, it is a wasteful process; it is extremely extravagant. Only a very small part of the plant is protein and it takes a whole year to grow. Then we may feed it to animals to get animal proteins, but the efficiency of the production of animal proteins is certainly very small. Considering the amount of food the animal eats during its whole life to the time when it is slaughtered, only a small part is represented by animal proteins.

The question of feeding future populations opens a new field for the biological engineer. In the past there has never been any systematic method of producing proteins. The natural protein-producers are the micro-organisms which develop most rapidly.

Now you see what an advantage we would have by developing or creating new species of micro-organisms which reproduce at an economically rapid rate.

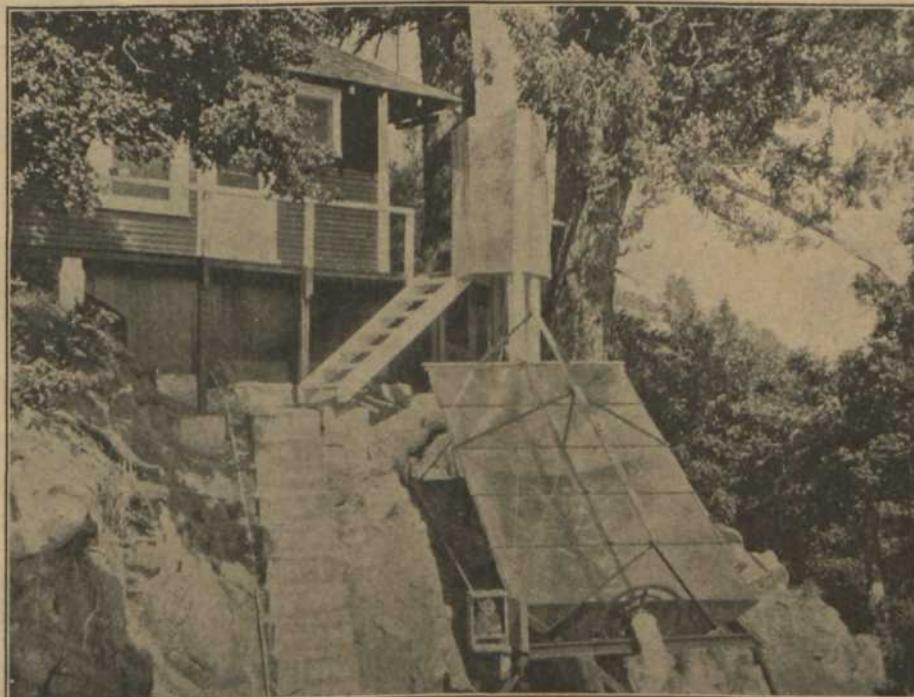
We have done much in producing new plants, but where each generation takes about a year, in micro-organisms we may have a generation a day or several generations. Therefore variation with the production of new varieties and new species can be carried on when dealing with micro-organisms at a rate of a hundred times more rapid.

So through biological engineering the production of proteins by micro-organisms does not appear to be a hopeless task, and it may be accomplished within a reasonable time. Within a century or two or even a shorter time we could supply the food demands of the world, not through the cultivation of new areas for the growing of wheat, but by producing it through micro-organisms which would be held by suitable mineral products without depending upon sunlight.

So you see these are the two problems—the production of energy from the sunlight and the production of food by new means which are not as limited as our present means.

It has been said that during the economic blockade of Germany during the war considerable advance was made in producing proteins by the growth of bacilli and micro-organisms. Various products are being made in which micro-organisms play a part. The synthetic production of rubber and other similar material, it is alleged, is developed by the work of micro-organisms.

So the micro-organisms offer a tool for producing new materials, and there are vast possibilities not only in the future but today.



Dr. Bennett's solar cooker which focuses the sun's rays upon a blackened tube filled with mineral oil communicating with an iron reservoir of oil in which are two baking ovens. Circulation of the heated oil keeps the ovens hot enough to perform all cooking operations except frying

# The Awakening of Cedarville

By F. STUART FITZPATRICK

ILLUSTRATED BY R. L. LAMBDIN

**I**N THE beginning was organization, and organization was man's, and through organization man worked his tortuous way from savagery to civilization. Latterly, we have discovered anew this ancient highway of life. We have become intensely conscious of organization. And so it has come about that whenever anyone suggests a task to be done, someone arises to remark, "Let us organize." We have labelled our generation, "an age of organization," and having laid our hands upon the most solid truth we know—that men make progress and gain more abundant life by working together and not alone—we have through unthinking enthusiasm made our mistakes in its name. Consider the story of Cedarville.

clusion about the town, he had started on a quiet campaign. A born salesman, he found that selling an idea made selling real estate look like a boy's pastime. His biggest conquest had been old Chapin, president of the Business Men's Association, who, as an old

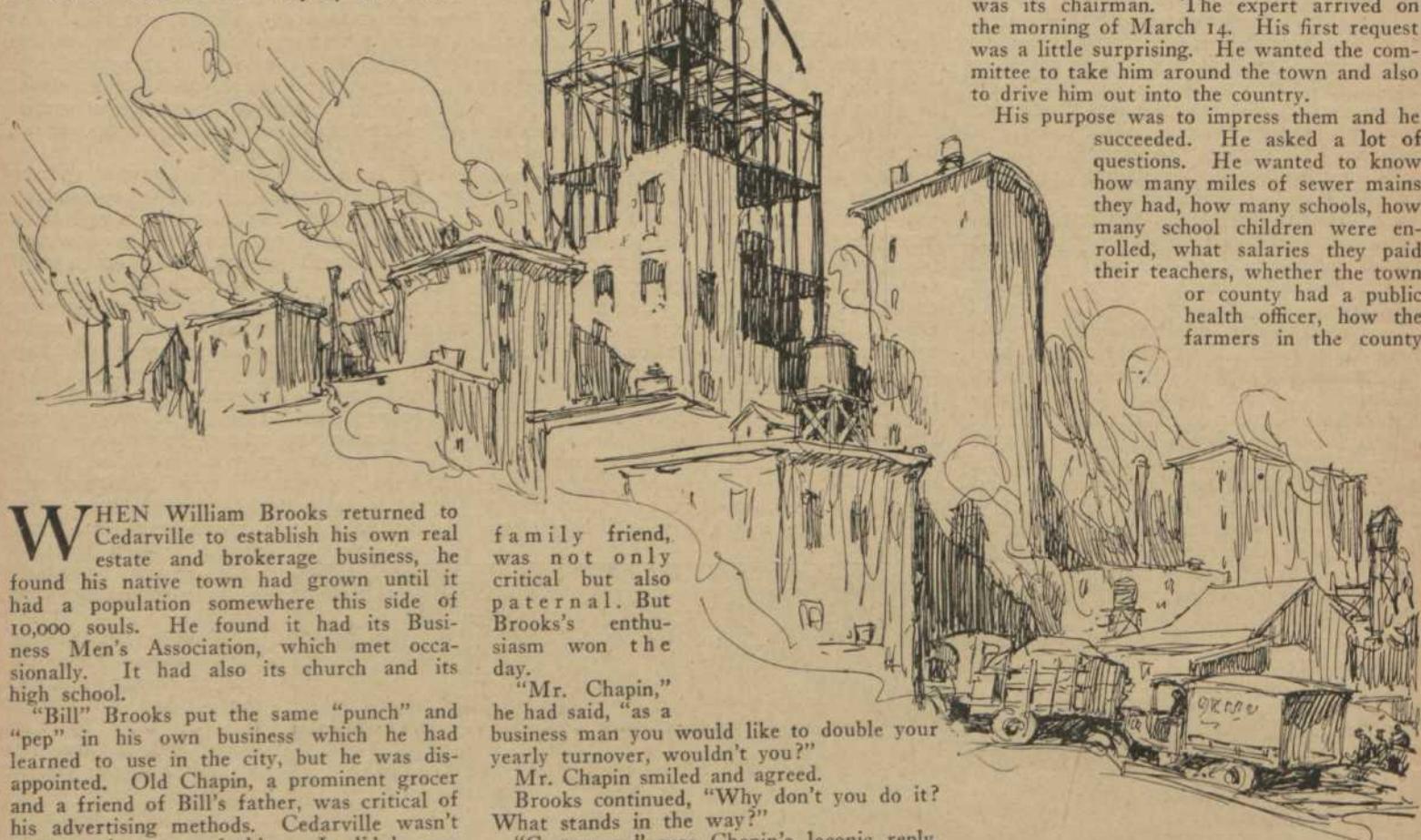
bilities and a smalltown organization. This town is dead, Mr. Chapin, dead, and it can be made a metropolis of this section of the country."

The people of Cedarville struck Brooks, who was really in many ways a stranger among them, as being more like deeply rooted plants than live human beings. He had concentrated all his effort on getting the directors of the Business Men's Association to agree to have conference with an expert, with a man who knew all about these matters, a professional organizer.

Brooks was a member of the committee which was to meet the expert; old Chapin was its chairman. The expert arrived on the morning of March 14. His first request was a little surprising. He wanted the committee to take him around the town and also to drive him out into the country.

His purpose was to impress them and he succeeded. He asked a lot of questions. He wanted to know how many miles of sewer mains they had, how many schools, how many school children were enrolled, what salaries they paid their teachers, whether the town

or county had a public health officer, how the farmers in the county



**W**HEN William Brooks returned to Cedarville to establish his own real estate and brokerage business, he found his native town had grown until it had a population somewhere this side of 10,000 souls. He found it had its Business Men's Association, which met occasionally. It had also its church and its high school.

"Bill" Brooks put the same "punch" and "pep" in his own business which he had learned to use in the city, but he was disappointed. Old Chapin, a prominent grocer and a friend of Bill's father, was critical of his advertising methods. Cedarville wasn't used to that sort of thing. It didn't care much about being boosted anywhere or into anything.

There came one day into his hands the prospectus of a company whose business it was to conduct hurricane campaigns. Bill read it, and saw a new light. Cedarville was dead. What it needed to bring it to life was organization. That was what was holding him back, and that was what was holding the rest of them back—lack of cooperation and organization.

William Brooks was up very early on the day of March 14. He was nervous, and kept rehearsing to himself, as he shaved, the part he was going to play in the day's proceedings. It was an important day, and not only his future but the future of Cedarville hung in balance.

The day after Bill had come to his con-

family friend, was not only critical but also paternal. But Brooks's enthusiasm won the day.

"Mr. Chapin," he had said, "as a business man you would like to double your yearly turnover, wouldn't you?"

Mr. Chapin smiled and agreed.

Brooks continued, "Why don't you do it? What stands in the way?"

"Customers," was Chapin's laconic reply.

"Exactly." Brooks had the lead he was looking for. "Exactly, customers, that's it, and what does that mean when you analyze it? Means people, that's all, people! What we need in this town is more people. And how are we going to get them? Advertise the town and bring industries here, bring settlers here, develop our natural resources, build better roads, extend our retail market in the county, get more people here and get at more of the people who live on the farms around here."

"This isn't just some dream of mine, Mr. Chapin; it has been done. I've seen one town make itself grow and I know personally of others. Nothing can stop you if you organize, organize for the city you're going to be, and not just for the town you are. That's the trouble with us. We've got big-town possi-

were organized, how their freight rates compared with competing points, what their public utilities rates were, what their water supply was, the extent of their retail trade radius, the number of employees in their factories, the kind and value of their factory output, and many other things on most of which the committee's members were rather vague in their replies. There was only one of them who really enjoyed this. Brooks glowed. He knew they were getting on.

"Gentlemen"—the expert was addressing the board of directors of the Business Men's Association and a few other prominent citizens who had been called in for this particular occasion. "Cedarville has already

taken the first step in the building of a new Cedarville which will be worthy of her business men and her citizenship.

"That step was taken when you invited me to come here and confer with you regarding the organization of a modern chamber of commerce. That invitation is a clear demonstration that the vision is here which has built the great cities of this country. I have already had occasion, through the courtesy of your committee which met me, to make a personal inspection of your town and some of the surrounding country.

"I already knew about your geographical location with reference to the commerce and industry of this section of the country, and about the slow but steady growth which you have enjoyed during the past two decades.

"The factors are favorable. Your growth, without any particular effort on your part, alone proves that. If you will consider but for a moment the possibilities of diversifying your industries, your nearness to certain large consuming markets, your splendid transportation facilities, you will see, as I see, the possibilities of growth which lie in Cedarville.

"There is another great possibility of de-

length of this land. Let me give you some concrete illustrations."

The expert was warming up to his subject. He rolled off case after case.

"Gentlemen," he concluded, "the modern chamber of commerce is more than a chamber of commerce; it is a chamber of citizenship, it is the organized community alert, vigilant and ever pushing its city ahead in the van of progress. This is what Cedarville

president to sign this contract on your behalf, I shall be glad to close the matter in order that we may get our work for the new Cedarville started with the greatest possible dispatch and conserve the time of busy men such as you all are."

The contract was signed.

Two weeks later two men came to Cedarville. They were the campaign managers, expert organizers; sophisticated, agreeable, energetic young men who obviously knew their business.

They went about it in a systematic way. Headquarters were opened in the hotel, stenographers were employed, and the preliminary work was on. A card index, in which was recorded the names of the prospective members of the new Cedarville Chamber of Commerce, appeared shortly, and included about every person in the town or surrounding neighborhood. Pamphlets were printed. Prospects were circularized over the names of the citizens' campaign committee. Publicity items began to appear daily in the newspaper. Key men were picked to head up the solicitation teams as captains. The

velopment. I refer to the agricultural community which surrounds your beautiful city. Scientific agriculture is a fact, gentlemen, and so is scientific marketing of agricultural products—cooperation with the farmer will increase his prosperity, and as his prosperity grows, his purchasing power grows and will be reflected in the volume of business in your stores and deposits in your banks.

"These are not generalizations; these are facts of progress tested by the growth of cities throughout the whole breadth and

has failed to be and what it may become. We have here now around this table the leaders of this community, the men on whose shoulders rests the responsibility for its future growth.

"The company I represent is prepared to send here experts who will build for you a modern commercial organization. I have the contract with me, and if your board of directors will, by resolution, authorize your

teams were divided into two contesting armies, the red and the blue, each in charge of a general.

The campaign committee was called the headquarters staff. These workers were called together several times and exhorted by the young men. At one meeting they were addressed by an outsider who was brought in for the occasion. They were sold the chamber of commerce idea in order that they in turn might sell it to their fellow citizens.

Something was beginning to happen to Cedarville. Its resistance, as the advertising men say, was being broken down. The Cedarville Chamber of Commerce was no longer simply talked about; it was felt. There was almost a feverish expectancy of some portentous, oncoming event. Even old Chapin was beginning to dream a little



quietly and secretly about an annual turnover doubled, perhaps trebled, and about the rise in value of certain real estate he held.

The people of Cedarville glowed with unearned increment.

Mr. Witt should have been happy, for he was Cedarville's leading banker. But, as he listened to one of the young men who was leading the tired campaign workers in song—"There Are Smiles Which Make Us Happy, There Are Smiles Which Make Us Glad, There Are Smiles, etc., etc."—Mr. Witt was thinking about the terms of the contract with the experts they had employed; 25 per cent net of the first year's income of the new chamber, and in addition all the campaign expenses for printing, stenographic help, luncheons and publicity.

He had taken out a \$25 membership in the new chamber and in addition had contributed \$1,475 to the service fund, making in all \$1,500. He was proud of his civic patriotism. He regarded the young man glumly. He was thinking it had cost him \$375 to get these young men to teach him how to sing, to stir up his enthusiasm and make him work for the glory and progress of his town.

Mr. Witt should have been happy. The campaign had been a success. There was no doubt about that; the large street thermometer was a visible sign to all that they had pushed their way beyond the goal they had set themselves. His own red army had won the trophy. He had seen to that. He was not the kind of man who failed in anything he undertook. He used the men identified with him in business on his teams. He smiled. Even Shinopolis, the Greek bootblack, had signed up a \$25 membership, for he knew on which side his bread was buttered.

The campaign was a success all right and the campaign workers were having their last luncheon jubilee,—four days of strenuous work, meeting each noon for luncheon and reports of progress and inspiring oratory. The Cedarville Chamber of Commerce was a reality. It embraced nearly everybody in its membership; some \$40,000 signed up in memberships and budget fund, all on a three-year basis, and part of the first year's membership dues collected in advance and a portion of the budget fund. More than \$6 per capita for the new Cedarville!

But if Mr. Witt was not very happy, Mr. Brooks was, and so were the others. Brooks

was even now making a speech to the workers congratulating them and congratulating Cedarville upon their wonderful achievement.

Not long thereafter, the new secretary of the Cedarville Chamber of Commerce was on the job. He was an experienced man. They had gotten him from another town because they were able to bid up his salary to \$6,000 a year. They could afford it. Were they not a \$40,000 organization, and did not Cedarville's future require the best brains which could be purchased?

Elaborate offices were rented, expensive furniture was purchased, assistant secretaries were employed to take charge of an industrial bureau, a publicity and convention bureau, a traffic bureau, a retail trade bureau, an agricultural bureau and to assist in executing the elaborate program of work which had been drawn up by the experts, and for each item in which there had been appointed a committee to see that it was carried out. Practically every member of the chamber was on some committee.

Brooks was the president of the new chamber. Mr. Witt, the banker, had refused the office, and Mr. Chapin had been elected first vice-president. Brooks threw himself into the work. At last they were organized, organized for the Cedarville of his dreams, the metropolis-to-be of the state, the best little hustling and up-to-the-minute city in the little old world.

**B**ROOKS and the secretary were in charge of a great machine, but as the weeks turned into months and the months rounded out the year, they found that too much was expected of it,—far too much. Bond issues required time and education, and could not, in one year, be had for all the many improvements called for in the elaborate program of work.

The Board of Directors concentrated on a few, but members were impatient. Why did not the chamber wave the magic wand which they had come to believe in?

Analysis proved that this particular town's real growth must come through development of the agricultural community around it. But before a concrete program on which they could get together with the farmers could be worked out, let alone executed, the farmers' suspicions of the business men had to be broken down, and that required time and patience—more time and more patience

than oversold members were willing to concede.

The chamber did not wave the magic wand! Freight rates proved to be no pressing problem, nor was the town adapted to the holding of conventions. The Board of Directors soon dropped these activities and others. The secretary stood solidly against the granting of any bonuses to new industries. Several prospects were interviewed, but no new industries were located! Members were bitterly disappointed. Those on inactive committees, and they were numerous, complained loudly of the chamber's inaction. Many repudiated their pledges, and at the beginning of the second year, nearly 50 per cent, including the Greek bootblack, dropped out.

It was a solemn board that met at the close of the first fiscal year, which found the chamber with \$15,000 in delinquent pledges. This, added to the \$10,000 paid the professional organizers for their work and the \$3,000 for campaign expenses, had left \$12,000 on which to finance the \$30,000 budget.

Mr. Chapin asked for a motion to accept the resignation of the secretary of the Cedarville Chamber of Commerce. Brooks was too utterly discouraged to be present.

Brooks had not given up easily, but one by one the assistant secretaries had been forced to leave on account of lack of funds, and finally the organization was no longer able to retain its secretary at the salary it paid him. The crash was inevitable, and even Brooks and the able secretary could not avert it. The Board of Directors liquidated the Cedarville Chamber and closed its unhappy career the same afternoon they accepted the secretary's resignation.

**I**T TOOK Cedarville some time to recover from its excursion into the realms of magic organization. It did recover, because the idea of cooperative effort on the part of business men—which is back of the chamber of commerce movement—is sound, as sound as the method by which man, through organized work, has been able, through the ages, gradually to subdue the forces of nature and make them serve his needs. Cedarville today is a thriving community, but that is another story, a story of definite and tangible achievement by business organization which we plan to tell next month.

## More Notes on Deluded Russia

**M**ANUFACTURE of money is apparently a recognized industry in Russia. At any rate, the Government sets down as part of its receipts the amount of gold rubles at which it estimates the profits to it of issuing paper money!

In the first nine months of 1922 it puts its income from this source at 504,000,000 gold rubles. In our money this sum would mean a quarter of a billion dollars. What the profits in terms of gold rubles mean in terms of paper money can be guessed from the rate of exchange in Moscow between paper and gold. In November, it took 9,600,000 paper rubles to buy one gold ruble.

**T**HE importance of the money industry in Russia can be gathered from some other figures. From all the nationalized industries run by the state the receipts in 1922 were 176,000,000 gold rubles (not net income, as

on the expenditure side there was a still larger sum) and from taxes 65,000,000. Taxes payable in money were introduced in 1922. In pre-war days Russian taxes amounted to five gold rubles and more per capita. In 1922, when results from taxes were much larger than in the years immediately preceding, they amounted to less than one-third of a gold ruble per capita. The Soviet plans to do better in taxes this year, estimating receipts from this source at 400,000 gold rubles and better. It is obvious that Soviet rule, like any other form of government, cannot get along without the tax gatherer.

Even education, upon which the new regime placed great reliance, has gone badly. In 1920 something like 71 per cent of Russian children of school age were attending school, but by the end of 1922 schools were fewer than in 1913 and not 38 per cent of

the children were in attendance. Part of the difficulty has arisen out of the plight of teachers. They have been receiving salaries representing less of a minimum wage than any other class of workers; their salaries have meant but 12 per cent of the minimum living wage. As a result, many of them have abandoned their schools. Expenditures for 1922, of the pre-war expenditures. Even the number of village reading rooms has fallen from 28,000 to 3,000.

**R**USSIAN wages as they are officially announced show a startling course. As of pre-war rubles, average monthly wages which in 1913 stood at 22 and a fraction fell between 1917 and 1918—the time of the revolution—to 9, and in 1922 were at 8.22, or at 37 per cent of their level in 1913.



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'It grew and spread and reached out until, besides its three main divisions, it was operating three branch offices in other cities; and the economic appropriation for 1922 was hammered down to \$5,000 less than a million'

# The Hole in the Nation's Pocket

By CHARLES L. UNDERHILL

*Congressman from Massachusetts*

BACK IN 1914, along about the time when your Uncle Sam was keen on the commission idea for keeping tabs on Big Business, Little Business and a lot of other things, one of his bright young men, named Wilson, slipped a note under his door one morning suggesting that he loosen up for a brand new commission that would "prevent unfair competition in business, collect facts about corporations engaged in interstate commerce and supervise export trade."

The old man hemmed and hawed and didn't do anything about it just then. But when, a few months later, another bright young man, named Newlands, sprang the same idea and kept pestering to have something done about it, his Uncle Samuel rummaged through his clothes and found, in a pocket of an old vest, some loose change amounting to about \$75,000, which might be enough to keep the boys quiet for a little while. So he told the young men who were hollering for this shiny new commission to take that and see what they could do.

That was the beginning of the Federal Trade Commission. The loose change was some of the money appropriated for the support of the Bureau of Corporations. This bureau was abolished, and its staff was transferred to the new commission, together with the \$75,000.

That was eight years ago. In those eight

years the people of the country have paid out nearly eight million dollars to keep this commission going. It grew and spread and reached out until, besides its three main divisions, it was operating three branch offices in other cities and maintaining a long array of sub-sections, including Patents, Research, Secretary's, Personnel, Disbursing, Stenographic, Files, Library, Hospital, Board of Review, Foreign Trade and Legal.

All this furnished jobs for some four hundred people, ranging from doctors, lawyers, and economists down to clerks, stenographers and messengers, at salaries from \$10,000 per year to \$480.

With a new administration that had rigid economy as a watchword in government, the after-the-war appropriation of \$1,102,000 for the commission in 1921 was hammered down in 1922 to \$995,000. In other words, by strict regard for economic expenditure, the commission that started out with the idea of spending \$75,000 was able eight years later to reduce its expenditures from a little over a million a year to \$5,000 under a million!

And right there is the point that some day we tax-paying Americans have got to get hold of and do something about.

The minute one of the thousands of ideas for new regulatory legislation of some sort gets on the statute books, the infant organiza-

tion created for carrying it out immediately starts to grow. Elaborated ideas bud from the parent trunk in every direction and rapidly become wide-spreading branches. Roots strike deep into the public treasury to draw the nourishment that must go throughout the whole organism to the last little jobholder on the furthest little twig.

I have no quarrel with the Federal Trade Commission particularly. I mention it only because it furnishes a fairly good picture of the sort of growth within our Government that has contributed heavily to the burden of taxation.

An even more striking example of mushroom growth is found in the history of the Children's Bureau, established in April, 1912, "to promote the welfare of children in the United States and the several territories." When the bureau started out with this entirely commendable humanitarian idea back of it, it was thought that its staff of six persons, supported by an appropriation of \$25,640, would be ample.

At the end of its second year there were seventy-six employees on its payroll and the appropriation stood at \$164,000. By 1919 the appropriation had grown to \$658,604, and this year this bureau is going to cost the taxpayers \$1,240,000 for the support of seven divisions, from the office of the chief to the editorial department; for the directors

and assistant directors of divisions; for research agents, field agents, statisticians and their assistants; for conferences, investigations and publicity drives, and for the thousand and one monographs, reports and bulletins that range in their titles from "Family Statistics of New Zealand" to "Results of a Field Study in Saginaw."

It may be that every job is worth more than the money that it costs us to keep it open. It may be that every publication is worth more than the money that it costs to print and distribute it. While I have my doubts, that isn't the point. It is this:

Where are we going to stop? We've got to give the answer to that question before long. The Federal Trade Commission and the Children's Bureau are but examples of one great factor in the mounting cost of government and the increasing burden of taxation.

### Cost Outstripping Growth

SOME of these government establishments have more, some less, to show for the money they have spent. But few, once started, fail to strike deeper and deeper into the public coffers. As the country grows, of course the cost of governing it may be expected to mount. But during the past few years, and right now, cost is rapidly outstripping growth—with no end in sight.

In recent years the taxpayers of the country have vaguely sensed the peril. There has been much indignation against lobbyists of one sort or another, a lot of scolding over the cost of government. But taxpayers have got to go further than that if the remedy is to be found.

It isn't enough that a political party pledges itself to a slogan of "Less Government in Business and More Business in Government." Even if the taxpayer sends to Washington a business man to represent him—and men of this type are all too few among our lawmakers—he must back him up when he gets him there.

From all over the land there come in a steady stream to Washington, men, and women, to urge upon Congress some new and special legislation. The motives of some are sincere; others are there purely to conduct a more or less cleverly concealed raid on the public funds.

Nearly all, sincere or not, see little else but their own pet idea and are engrossed with the absorbing business of bringing enough pressure to bear to jam it through to the statute books. They are able, in most cases, to gather about them a group of sincere advocates. Before long the man who has been sent to Congress to watch the interests of the taxpayer finds himself under pressure from within his own constituency and from outside of it, all directed toward the passage of some measure which he may know will mean the planting of one more mushroom bureau, another raid on the treasury.

If the taxpayers of America would abandon their tendency to sit back and let George Congressman do it and would take a more active interest in selecting and supporting in the national legislature men of sound business ideas, these men would write an entirely different story of government. Progress would be made if the voters of the country, just once, would go back only a little way over the record of legislation.

Let them start only so far back as the nationalization of transportation during the Wilson Administration and the establishment of the United States Shipping Board and Emergency Fleet Corporation which, with more than \$3,000,000,000 worth of property,

operated after the armistice for two years at a loss of about \$200,000,000. They will begin to see how the money goes when the Government goes into business.

When the Government was led into the business of running railroads, its operations for twenty-six months showed a loss of \$1,800,000,000, and interest charges alone on that vast sum are \$175,000,000 a year. And yet when an appropriation of \$30,000,000 was urged for a subsidy that would put the American merchant marine back into private control where it belongs there was a fine hullabaloo.

Legislative bodies are passing or threatening to pass too many measures that are based not on merit, but on propaganda, and only the taxpayer can stop it.

Congress has made the Maternity Bill a law. This bill was nothing more or less than a concerted effort on the part of the so-called advanced thinkers to create a governmental institution that would mean jobs for job-seekers and would open the way to official meddling in the family's most intimate affairs. The propaganda was put in motion under the deceptive slogan, "Save the Babies," and was so well handled that very few members of the House had the temerity to vote against the bill. And one of them was a woman, Alice Robertson, of Oklahoma!

The Grain Futures Act was passed by the farm bloc, assisted by the united democracy of the south.

The Ball Rent Act, a necessary war measure, but one that is now interfering with the proper development of real estate, was extended for two years.

### Asks \$400,000 to Continue

THEN there was the Cummins-Winslow Price Fixing Bill, put forward under the guise of a measure regulating interstate commerce, which took more or less control of the coal business. The commission created under this bill has recently reported that it has just got started and, as always, asks for \$400,000 to continue its job. It is impossible to tell what good, if any, this measure will do. It has possibilities of great evil.

The one ray of hope that, even with all this enacted legislation, we are, after all, moving in a zigzag course in the direction of more business in government, is to be found by the optimist not in what Congress has done, but in what Congress has refrained from doing.

There was the Sterling-Towner Bill: a Department of Education, with a Secretary in the Cabinet. The initial appropriation for this department was set at \$100,000,000, and that would have been only a drop in the bucket.

There were endless possibilities, billions of dollars in it, countless jobs, if the scheme could be put across.

Teachers, many underpaid, were told that with the passage of this bill their salaries would be considerably increased. They told their friends and relatives to get behind the bill. Members were flooded daily with letters that were written with the best motives in the world. Yet had that bill passed, in the Department of Education we would have had nothing more or less than a great political machine, operating in every schoolhouse in the land and piling up an ever-increasing load on the taxpayer. The measure did not pass. But it is by no means dead.

In line with it was another measure introduced by Representative Fess, which would have drawn an initial appropriation of half a million from the Treasury, "to provide for the promotion of vocational education"

and "to provide for cooperation with the states in the preparation of teachers of vocational subjects."

It was one of those pernicious fifty-fifty measures under which the federal government goes to the state governments and says, "Here, we will give you so much if you will provide an equal amount." This is done in the Highway Bill. It was done in the Maternity Act.

There was Senator Ladd's Agricultural Price Stabilization Bill which was calculated to promote farming by putting a minimum price on wheat, shelled corn, raw cotton and raw wool. Nobody explained why grapes, potatoes and Brussels sprouts were not included. Somebody did suggest that the Government might go the whole route, starting, perhaps, with automobile price stabilization.

Along came Senator Owen with a bill referred to as the Federal Publicity Act, the real title being "A bill to provide for public education upon political questions and for the dissemination of information upon political issues and matters of a political nature of public interest, by an authorized publicity pamphlet."

In the pamphlets were to be printed pictures of candidates for the Senate and House and reasons why each one should be nominated.

Senator Fletcher felt deeply that we should have a National Conservatory of Music equipped for both vocal and instrumental instruction. If that had gone through, with the usual dip into the Treasury, no doubt we would have had a flood of similar measures providing for stenographic, cooking, manicuring and hair-dressing schools.

Representative Raker, of California, was sponsor for a bill to create a Bureau for the Deaf and Dumb in the Department of Labor. He also felt that we should have a National School of Correspondence offering courses in anything and everything.

Senator Owen came to the front again with two more measures, one to establish a Department of Health and the other to establish a Department of Education, each with a Secretary in the Cabinet. The expenditure of two or three hundred million dollars meant nothing.

### Attempts to Create New Departments

SENATOR KENYON, before resigning, introduced a bill establishing a Department of Social Welfare, with a Secretary in the Cabinet. Not to be outdone, Senator McCormick came forward with a measure creating a Department of Public Welfare, with still another Secretary in the Cabinet.

Mr. Fess and Senator Cummins hatched out a bright idea which, had it become law, would have offered extraordinary opportunities for raids on the Treasury.

It provided for the promotion of physical education in the United States, through cooperation with the states, in the preparation and payment of supervisors and teachers of physical education, including health supervisors and school nurses.

And so the story runs.

There has been space here to touch only a few of the high spots. It would be more than worth any taxpayer's time to go through the payrolls and expense accounts that have been built up in ever-increasing pyramids on this sort of legislation.

Few taxpayers will have the time, inclination or opportunity to do that. But there is one fact that stands out, self-established, menacing. It strikes at the well-being of every American; at the foundations of American institutions. It is this:

Every taxpayer in the United States today is contributing more than one day's work out of every week to pay the cost of government. If government is driven still further into business, still further in the direction of regulatory legislation, it is inevitable that the taxpayer must give two days, or three days of his work. There will come a day when confidence in government will waver; and from there it will be a short step to revolution.

The men who are sounding this warning of a national peril are not demagogues. They are conservative, thoughtful men who have seen the figures, who have discerned the forces at work and have felt the drift.

You have been thinking, you business men, that by attention to business you can make money faster than they can take it away from you at Washington. Lately you have been wondering whether that's right, after all.

You've been suspecting that something is radically wrong, and too many of you jump

at the conclusion that the way to fix it is to scold at the politicians. That's all right. But scolding alone won't do the job that has to be done.

You overlook the fact that the stream will not rise above its source. The man who goes to Congress represents the type of the constituency that sends him there. We have the most liberal election laws. There's no reason on earth, if you really set yourselves to it, why you can't send men to Congress whom you won't have to scold.

The men who want to vote against the business interests of the country and who want to put more government into business are men who have a strong organized minority back of them, and, though they may be in reality a minority, on election day they turn up as a majority.

And why? Because when these fellows were hustling to the polls on election day or primary day, you were out playing golf and couldn't get to the eighteenth green before

the polls closed; or you were down in Maine hunting moose or, perhaps, up in Canada hunting booze.

Meantime the union leader was on the job, the soap-box orator was on the job, the corner loafer was on the job, and the government job-holder was on the job. And when the votes were counted, the fellow who had tried his level best to make a record for sane legislation and was running on his record lost his seat by a vote or two.

You talk about cowards; more courage on the part of men holding public office. It isn't a question of cowardice. It isn't a question of courage. It's a question of votes; of support between votes; of a determination on your part to exercise your power as a majority; of being willing to cut out the last nine holes that you may go to the polls or, perhaps, write a letter to your congressman that will stiffen his back.

If the hole in the nation's pocket is going to be sewed up, it's up to you.

# An American Watch on the Ruhr

By BASIL MILES

THE famous coal region to which the small river Ruhr gives its name lies almost entirely on the right bank of the Rhine, about 40 miles below Cologne. Its area is relatively small—about 45 miles east and west, and 25 miles north and south.

To the world at large, and certainly to America, the Ruhr was made known principally through the rise of the great Krupp works at Essen. When Frederick Krupp started his steel plant in 1816, Essen was a town of probably less than 10,000 people. In 1850 the population was still 10,000, but by the time of the Franco-Prussian war of 1870 it had begun to expand, and, in 1885 had risen to 70,000 inhabitants. In an age of industrialism and under the continued impulse of Imperial Germany, the population multiplied by 1914 to 439,000 inhabitants.

The Ruhr district, keeping step, developed a population of four and a half millions, and now contains four cities with over a quarter of a million inhabitants and at least ten with over a hundred thousand inhabitants. Thus the industrial growth of the Ruhr—for it is obvious that the increased population is the result of industrial expansion—paralleled the growth of Imperial Germany.

In 1913, in the Ruhr proper, on the east bank of the Rhine, there were 221 collieries, which produced 110,000,000 tons of coal, or 57 per cent of the entire production of the German Empire.

But the million workmen who develop the industrial wealth of the Ruhr are employed in a number of different industries. Aside from the mines there are enormous steel plants and woolen, cotton and silk mills. The industries of the region even include the manufacture of toys, musical instruments, aluminum utensils and tanned leather. There are also chemical dyeworks. Very much of the iron ore for the steel plants, before the war, used to come from the mines of Lorraine. Much of the cotton for the textile factories comes from the United States. But the basis of it all is convenient coal in large deposits in a compact area.

The French and Belgians have now blockaded this area. The Germans insist it is because the French, with militaristic ambitions, are determined to control this es-

The following report by the Administrative Commission of the American Section of the International Chamber of Commerce is based on a trip in the Ruhr, February 3 to 7, 1923. As the passenger train service was dislocated, the trip was made by motor. The report is based on contacts made through local German Chambers of Commerce in the Ruhr and by letters of introduction to various French authorities connected with the forces of occupation; followed by a short visit to Berlin.

ential industrial district permanently; the French insist it is merely a temporary reprisal to punish Germany for not meeting her treaty obligations and to take by force what Germany refused to pay.

First of all, as to coal: The production has hitherto amounted to 8,000,000 or 9,000,000 tons a month. Final technical figures may vary, but, roughly, half of this, or a little less, was consumed in what is now unoccupied Germany. Commencing February 1, the supply for unoccupied Germany has been completely cut off.

Where is Germany going to get 4,000,000 tons of coal a month to replace it? At first glance it would seem as though German industry would be immediately paralyzed. This has been by no means the case as yet, and will not be in the immediate future. First of all, there were certain stocks on hand in unoccupied Germany. In the second place, the dilatory tactics of the French between January 11 and February 1 enabled the Germans to run out of the occupied area quantities of coal already above ground.

The Germans not only took full advantage of this opportunity, but incidentally removed a good deal of rolling stock, especially locomotives, sufficient to add very noticeably to the difficulties of the French occupation. An

estimate of the coal stocks thus accumulated in Germany gives existing quantities on hand sufficient for a normal supply for six weeks, and more probably two months, from February 1.

The war proved in more than one country that industrial life can be kept at least alive under surprising restrictions. On this basis it is asserted that industrial life in unoccupied Germany can probably be maintained for six months or a year on two-thirds of its normal coal supply. In other words, instead of having to replace the 4,000,000 tons a month represented by the Ruhr supply, it can exist with 2,500,000 tons. After April 1, where can Germany make up even this restricted deficit?

Germany has been buying from England about 1,200,000 tons of coal a month. Most of this was necessary because of shipments of reparation coal to France. That necessity no longer exists. If Germany can increase this figure to 1,500,000 tons of English coal each month, a big breach in the deficit will be filled regularly.

In the second place, unoccupied Germany can very much extend the use of brown coal. Certain factories convenient to brown coal deposits are already said to be converting their furnaces or ovens in order to face the new conditions.

Finally, England and the Ruhr are by no means the only coal supplies in Europe. Germany may have to purchase coal abroad, but the localities are not distant, and it will no doubt be perfectly practicable to secure coal in such countries as Czechoslovakia and possibly in Polish Silesia. In other words, unoccupied Germany can get coal supplies—and the same is true of iron ore—so long as the necessary purchases can be financed.

In considering any question of financing payments of coal and food, it must be remembered that in desperate straits, such as the occupation of the Ruhr may ultimately produce, the German Government always has, as a final forlorn hope, the \$200,000,000 gold reserve of the Reichsbank.

But equal, if not greater, in importance than coal are the steel and iron and the other varied industries of the Ruhr. Re-

liable statistics for the steel and iron supplies do not appear to be available, but there is no question of their tremendous importance to unoccupied Germany and to German industry as a whole. It remains to be seen whether these supplies are not really and absolutely vital, and whether it is not in this respect that the occupation of the Ruhr will deal to Germany and to the German industrial magnates the greatest blow.

There is no question that the existing blockade is effective. The French are armed and in force, with between 40,000 and 50,000 troops distributed through the small area of the Ruhr. The Germans are disarmed and helpless, for while passive resistance is proving most effective in disrupting railway traffic, it can have no effect whatever in breaking an uninterrupted economic blockade maintained by force along the different railway outlets from the district.

There are other aspects of the Ruhr occupation whose importance may be magnified as the occupation is prolonged. When the French entered the Ruhr, January 11, there was no show of hostility whatever on the part of the population. The government of Chancellor Cuno was regarded as weak, not only abroad but also at home by the Germans.

Unrest among socialists was noticeable and the divisions between nationalists, capitalists, socialists, workmen, profiteers and the various elements of German life were increasing rather than decreasing. The cost of living was rising, and the internal situation in Germany was showing a decided turn for the worse. There were signs of the beginning of unemployment, a rise in index prices, accelerated currency inflation and hurried readjustments of wage scale and prices.

Within a week the outward aspects of the situation had completely changed. Chancellor Cuno's appeal for passive resistance received practically universal support. By February 1 the German people seemed to show a united front based on a fervid national spirit.

Every obstacle short of a general strike was systematically thrown in the way of the French. No civilian could speak the French language in the Ruhr with impunity. Banks refused to change French francs, hotels and shops refused to deal with French citizens, and the railways struck whenever orders were issued by French officials or positions were filled by French supervising employees.

The net result is that while the French blockade of the Ruhr has been effective as regards unoccupied Germany, the German boycott in the Ruhr is making it almost equally difficult for the French to move coal westwards. Before the occupation, France was receiving something like 80,000 or 90,000 tons of coal a day from the Ruhr. It is questionable whether they succeeded in mov-

ing westwards in the first five weeks ensuing anything like what they previously got in one day.

Moreover, difficulties will persist even beyond a possible collapse of German resistance. The occupation of the Ruhr has been something like hitting a watch with a hammer—not so destructive, but almost equally disturbing. The Ruhr was highly organized and highly developed, with an intricate system of railways connecting with canals and with the great waterway of the Rhine. Its organization included an elaborate and carefully built-up system of distribution and marketing. The difficulties of working such an enterprise with hostile rank and file are sufficiently obvious. The shutting down of

There is no question that, in face of the systematic provocation with which they have been confronted on the part of the German Government and the local population, the French forces in the Ruhr have acted with moderation. But the military occupation by force of a civilian area in time of peace contains difficulties inherent in every such attempt.

These difficulties are unquestionably aggravated by the general European practice of billeting. Students of American history know how grave a cause of friction between Great Britain and her American colonies prior to the American Revolution was provided by the practice of billeting British troops in the houses of the colonial population.

In visualizing an American occupation of the Ruhr, one has a mental picture of tent cantonments lying along the various railway and road outlets, quite outside the towns, and beyond contact with townspeople. European armies are generally unacquainted with any such practice. Accordingly, the French troops are billeted in the towns of the Ruhr—usually in the suburbs or in villages, it is true—and live in houses, schools, hospitals and other buildings adaptable for the purpose.

Thus their presence not only produces perfectly definite inconvenience and discomfort to the inhabitants—and this is by no means a fault inherent in French methods, but, on the contrary, one which appears to be generally practiced in Europe—but, furthermore, the troops are inevitably thrust into direct contact with the population whom they are dominating.

If the French troops had been less moderate and less well controlled, the various distressing incidents reported in the press would have been multiplied to formidable proportions. With the situation as it is, the danger is by no means passed.

As yet, France is not recovering coal or other materials sufficient to offset her expenditures. On the other hand, the resistance of Germany has been stiffened to an astonishing degree. The fact is that the movement has staged an economic struggle of tremendous import. Numerous forces are playing upon the present situation. For example, it is declared that Central Europe alone is faced with a latent coal shortage which is estimated at something like 50,000,000 tons per annum.

Those who are optimistic hope that the drastic action of the French will in the course of the year produce a compromise and a final settlement of the differences between France and Germany. If this result is achieved in fact, it will be worth the money spent, both to France in particular, and to the world in general. Otherwise, the world will continue to suffer from the political and economic consequences of a defective peace settlement.



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Boys and even women were employed in the coal mines in the Ruhr which the French have taken over. Picture shows them waiting for the lift to carry them up

coke ovens alone sets a definite term to their rehabilitation at full capacity.

Another of the difficulties faced by the French, with the breakdown of transportation, is the problem of food supplies. One of the most lamentable and dangerous factors in Germany since the war is the under-nourishment of the working and middle classes. Germany has been on a sugar-card basis for several months, and milk and fats in adequate quantities have been beyond the means of the workman, small official, shopkeeper, etc. Every additional difficulty now found in the Ruhr is blamed on the French.

Actual unemployment had not assumed any important proportions prior to the announcement of a complete blockade the second week in February. Where work fell off in the mines, the owners were still keeping the men employed on unproductive jobs. The government apparently was supporting the owners by advancing them credits on the coal above ground at the pit mouths. The steel and other factories had ample coal supplies and were proceeding without outward signs of distress.

Thus the district as a whole was fairly busy, and except at storm centers like Essen, was outwardly normal. Even a cursory inquiry, however, showed that the situation was difficult and fraught with many possibilities.

# He Prods the Octopus—and It Pays

By JAMES B. MORROW

WITH HIS trusty cudgel in both hands, Robert Marion La Follette is still drumming his devil's tattoo on the ancient pulp of the Octopus.

(Actually, now, what would happen to the politicians were Big Business suddenly to shut up shop and go out of business? Did you ever think of that?)

Worrying and walloping the Octopus from say, 1890 to 1923, has been a theatrical and well-paying industry. And it has been and still is as easy as falling off a log, though its profits are often fabulous—governorships, senatorships and so forth.

Assailed and denounced in bygone years, the Octopus made no defense. Never uttered a word. Not so the captains of the walloping industry. They were all words, which they emphasized with clawing gestures and dramatized with tousled manes. And an occasional statute which chastised but did not exterminate. Why execute the goose, when clubbing it would be better still?

Then the Octopus began saying something in reply, at so much a line, agate measure. "It is rich, or ought to be; let it pay the bill," was the view of many publishers. To the wallopers, however, columns were free. Thus the industry of walloping was built up without cost, except to the depraved old Octopus itself. Walloping, therefore, was a fine and exciting sport, as well as a steady source of bread and meat. And so it continues to be.

Well, Senator La Follette was an eager volunteer among the argonauts who set sail on the ocean of language in search of the Octopus. Many of the adventurous sailors found it, and, returning home, have lived in riot and by riot ever since. Some, however, were ravished or saw a new light and dallied in tents made of rams' hides dyed red, the roofs of which were badgers' skins, with the hair inside. The Octopus, you see, got them, swallowed 'em, so to speak, having first embraced them with its eight narcotic arms and lulled them to sleep.

Years ago—fifteen of them, at least—Senator La Follette, his auburn head more porcupinish than usual, his strong brow torn with furrows, his gray eyes gleaming through thin, wrinkled slits, his small features tight and intense, said to me: "I never quit."

So far, he has lived up to that boast. His tattoo on the wincing pulp has never ceased, never lost a beat. He is as fiercely devoted to the people as he was thirty-five years ago. And of all the wallopers of Big Business, once the Octopus, in the Senate or elsewhere, with the single exception of Col. Smith Wildman Brookhart, the Iowa statesman, he is the easiest to picture and understood. He is no mystery at all in the light of the fact, or in the open secret of his great desire and high design—namely, the Presidency of the United States.

Commonly, the public and rhetorical foes of railroads, banks and corporations, when not born with a frenzied passion to free suffering slaves from cruel masters, attribute their escape from iniquity to subtle or coarse attempts at their seduction. Some one tried to buy them up. And so forth. "The idea; and I a green and upright boy." And so on.

Even so fearless, alert, tireless, confiding and denunciatory a character as Senator La Follette met the Devil in broad daylight. The Devil on this occasion was short and fat and waddled on his legs, which were slightly bent. At that time, and in this special instance, the Devil was in the lumber business and the big chief of Wisconsin politics. The encounter was almost fatal, physically, to Robert M. La Follette. But let him describe the melodramatic event:

Philetus Sawyer, one of Wisconsin's senators, was a very rich and powerful man. Treasurers of the state had lent out public money, to banks, notably, and pocketed the interest. Sawyer had been on their bonds and was threatened with a suit in the sum of \$400,000. The Democrats, it should be noted, were coming in. An investigation would occur. A settlement would be required.

Therefore, Sawyer telegraphed and asked La Follette to meet him in Milwaukee. Sawyer was no longer young and his stomach was large, but he was a fast worker. He tried at the meeting to hand La Follette "more money than I had ever dreamed of having."

"That," he said, the roll in his fat, unholly hand, "is your retainer. The other half will be paid when your brother-in-law, the circuit judge, decides the case."

It was terrible. I have seen Senator La Follette's eyes fill with real tears while giving an account of old Sawyer's attempted debauchment of youth and innocence.

La Follette hastened home and told his brother-in-law everything. The brother-in-law publicly announced that he would not sit at the trial of the Sawyer case, should there be such a case. He gave no reason. Whereupon Chicago and Milwaukee reporters became interested. And at last La Follette was "compelled to relate the facts." The press of his party called him "a liar and a scoundrel."

"That was the tragedy of my life. My health broke. I went west and worked on a farm for a month. Then I returned to my home and redoubled my efforts to purify the politics of Wisconsin. Men must go into the fire to be tempered. I went. It did me good. Sorrow comes to all. Shadows fall across every life. I suffer as much as anyone can, but at the climax I become as hard as iron and my heart turns to stone."

In this gross manner, then, temptation lay hold on Robert M. La Follette, and in this manner he escaped from the lascivious clutches of

bossism, joined in an unholy alliance with Money. Whatever may be said for or against him, Senator La Follette is always a rough and ever a ready fighting man. "Battling Bob" he is often called, both in ridicule and adoration. The soubriquet fits him.

"I have decided," he informed E. W. Keyes, postmaster at Madison and boss of Dane County, "to be a candidate for prosecuting attorney."

The office paid its incumbent \$66 a month. La Follette had just been licensed as a lawyer. Furthermore, he was in love. Keyes eyed him contemptuously and peremptorily turned him down. The office boy of today may, in ten years, be the general manager. Or the private in the ranks may become chief of staff to General Pershing. Treat the boys kindly. And don't underestimate a seeming lack of inches in any man's longitudinality.

Keyes looked down on La Follette. There came a day when he stiffened his chastened neck looking up. That upstart of a boy borrowed his mother's old Morgan mare (stylish, beautiful and mettlesome horses were the Morgans), and with harness and a buggy, borrowed from someone else, made what he now describes as "a house to house canvass."

He was nominated and elected. That was in 1880, forty-three years ago. Senator La Follette has been an office holder ever since.

Holding office is his business, as manufacturing may be some other man's business, or merchandising, or banking. It might not have been his business, indeed it would not have been, had he stood five feet eight or five feet ten in his stocking feet. Had his measurement, up and down, been more generous, bill-

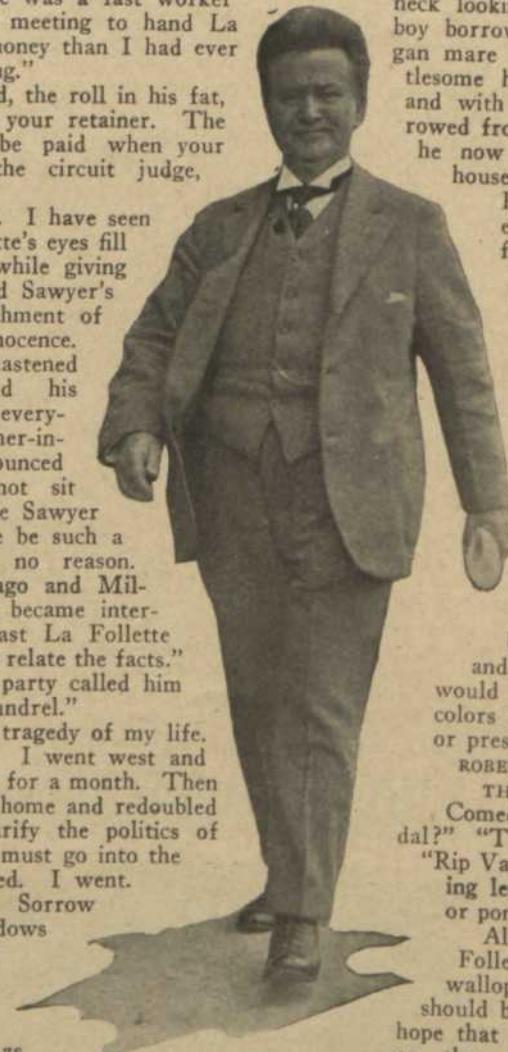
boards today in vacant lots, and electric lamps on theaters, would have heralded in bright colors and gay flashes the coming or presence of

ROBERT MARION LA FOLLETTE  
THE EMINENT TRAGEDIAN

Comedy? "The School for Scandal?" "The Cricket on the Hearth?" "Rip Van Winkle?" Never. Nothing less than murder with rapier or poniard.

All concepts of Senator La Follette, as a politician, agitator, walloper and public character should be hypothesized on the great hope that was early in his heart and on the golden purpose which, he planned, would sweeten and distinguish his life. Starting there, deductions fall into no errors of absurdities.

"I can't remember the time when I didn't intend to be a lawyer."



© Harris & Ewing

Bob, Son of Battle, and, for that matter, Father of Battle, caught as he goes forth to war. Nature's failure to add a cubit to his stature deprived the stage of a great tragedian, but gave to the Senate its busiest Warrior on Wealth

Those are his words. But there was an unexpected and delightful intermission. Elderly gentlemen, now attorneys at law, dwellers, during their youth, in villages or on farms, if they are honest in their self-revealing, will admit, with a flame of crimson in their faces, maybe, that the practice of law, as they believed, gave them, as no other profession or business could, opportunities to talk in public. Those who were never captivated by thoughts of such opportunities were unimaginative and humdrum youngsters, who, having come to the bar, loved to write out deeds and documents and look forward to the time when they would have estates to administer and aged widows to manage and counsel. (They are now with the corporations.)

Opportunities to talk! But, far, far better still, to be talked about. "Did you hear Dan Bustem's speech when he was defending Abe Beaver for stealing his grandma's heifer? Well, sir, he pictured Abe going down the lane in the moonlight leading the heifer and told all about Abe's thoughts while he was doing the same, how Abe's heart was broke, how Abe's wife, one of God's noblest and sweetest little women, and Abe's innocent and sleeping children didn't know a thing about it. He had us all crying, even the prosecutor. I tell ye, some day Dan'll be in Congress."

That was the age when the American bar was in full flower with tears and elocution and when lawyers were poets, artists, actors—and merry statesmen. To be talked about! Why did Andrew Jackson wear his hair in the fashion set by the Marquise de Pompadour? Why did Lord Byron bare his esophagus? And Charles Dickens array himself in the prismatic colors of the rainbow? "Please notice me" seems to be printed on the chest—never the back—of all humanity.

#### The Call of the Footlights

BUT we must hurry along with this attempted exposition of Senator La Follette. At Madison, seat of the university, there were lithographs hung in store and barber shop windows. It was the lithograph age with the American theaters. Lawrence Barrett was on the way. And John McCullough. In the plays of Shakespeare. Young La Follette was already a talking man.

He had seen in his mind's eye a barren law office, in a small town, up a flight of dirty stairs and down a long, black hall, and himself, sitting on a kitchen chair, waiting and listening for a farmer with a litigious look in his countenance and mud on his cowhide boots. And then the lithographs! Theaters! Audiences! Music! Applause! Every night! Boston and San Francisco with New York and Chicago between!

So young Mr. La Follette wrote an oration on Iago, and with it, in his best speaking style, won an interstate oratorical contest

against six other colleges. There was some enthusiasm at the Wisconsin University, and Iago was made into a pamphlet and offered for sale at a local book store. John McCullough, the chair-maker and successor of Edwin Forrest, playing at Madison, read the pamphlet "and sent for me."

He praised La Follette's study of Iago, saying: "I would advise you to become an actor had nature been more kind to you in stature."

"Doesn't talent count?" La Follette asked.

"The eye of the public, as well as the head, must be filled," McCullough answered.

Although he was not a very large man, he towered over La Follette; his head, shoulders, neck and chest were magnificent. "Suppose," he roared, purposely, no doubt, "I were playing Othello and you Iago and I took you thus and shook you (actually taking and shaking as he spoke), what would the audience say? 'For shame! For shame!'" would be heard in all parts of the house."

Down must have fallen many of the lithographs hanging in the stores, news depots and barber shops of hope. But, presently, Lawrence Barrett also came to Madison. He read La Follette's Iago. They met, the actor and the student. "Study Hamlet for a year," said Barrett, "and then write for me such a paper as you have written on Iago."

More than that, which was enough, Barrett sent Iago to Edwin Booth, who replied that La Follette's conception of the character was similar to his own. The study of Hamlet, though continued for a year, was never put on paper. Long, long after, Hamlet was the subject of one of Senator La Follette's chautauqua lectures.

"Usually, however," and I detected some weariness in his words, "the local committees wanted politics or railroad legislation."

The heavy voice and vise-like grip of McCullough forever and sadly ended, it seems sensible to think, the histrionic dreams of young Robert La Follette. Thenceforth Wisconsin was to be his theater; its inhabitants his audience. The empty office and kitchen chair slipped back into the picture of himself.

If Keyes had said: "You may have the nomination, Robert," or if Sawyer had patted his pompadour and said: "You are the kind of a boy we need in our business," who can tell what might have happened in Wisconsin before, during and since the World War?

The Morgan mare and borrowed harness and buggy taught Robert M. La Follette a lesson in tactics and gave permanent form to his office-seeking policy. He declared war on the bosses. It was new medicine and good medicine in those days. Snake-dancing up to that time had been performed mostly by those who knew little, if anything, about acting.

All La Follette campaigns are alike in

principle to the one with which he began his first enterprise in politics, out there in Dane County—house-to-house electioneering, not in a buggy but with printed matter. He has told me that he distributed 1,600,000 documents during one campaign. He has the names of five active reliable partisans in each precinct of the state. These men supply him with lists of voters classified as Republicans, Democrats, fair Democrats, progressives, reactionaries, socialists and so forth.

Two years after leaving the office of prosecuting attorney Robert M. La Follette was a member of Congress. He had not reached the age of thirty. Across the border of Minnesota, about that time, Moses Edwin Clapp, born on the banks of Rattlesnake Creek, in Indiana, and nurtured in his youth on saleratus biscuits, split in the center, with pork and molasses placed between the pieces, was attorney general. "The Black Eagle of the Northwest," he was called in pride and affection.

The railroads, he said, were enemies of the people. He began branding them and cutting their tails off. La Follette caught up the booming echoes of the Black Eagle on their way back to Minnesota, amplified them, decorated them, lit them up with tragedy and made himself governor. And there you are!

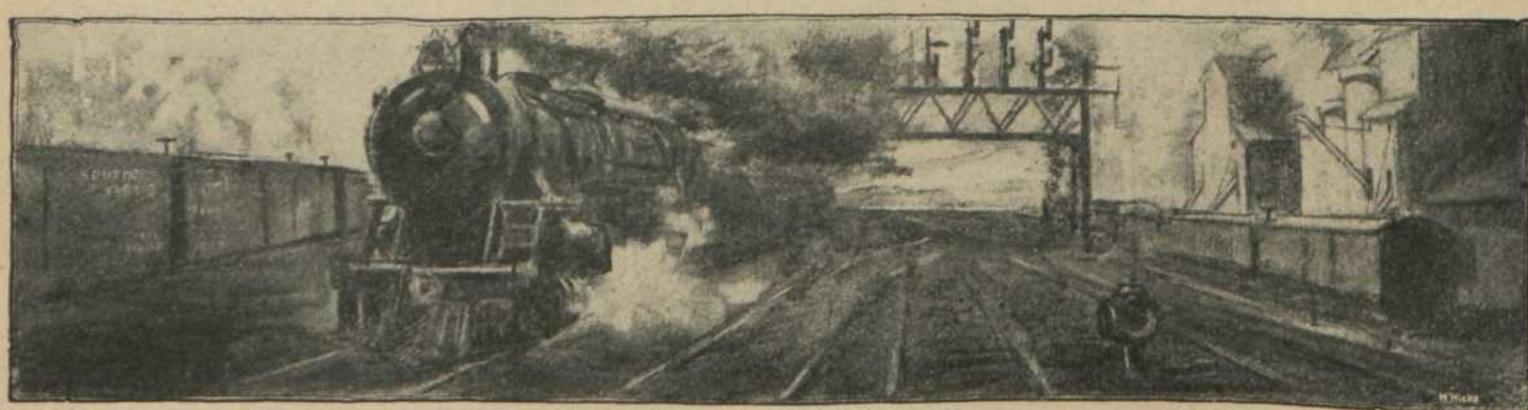
One step led to another, until at last, and just recently, Wisconsin, under La Follette, old Sawyer dead and buried, even went so far as seriously to consider a proposal to abolish the State's National Guard.

"The people and the railroads of Wisconsin were on the best of terms," Roswell Miller, president of the Chicago, Milwaukee & St. Paul System, once told me without excitement or bitterness. "When a railroad did anything wrong, the evil was small and easily corrected. Then La Follette appeared and began to stir up the voters."

"After he was nominated the first time for governor," Mr. Miller continued, "men having the management of his campaign came to us for money. We informed them that we would contribute, if assured that we should be treated fairly. In a few days the men gave us that assurance. We had nothing to fear, they said. The St. Paul road would not be harassed for political purposes. We gave the men \$5,000. The contribution, let me add, was never duplicated."

**"THEN** La Follette appeared and began to stir up the voters."

"Wishin' you lots of sickness, my darling creetur," said Sairey Gamp, the fat nurse, with a moist eye, to Betsey Prig, another nurse, "and good places. It won't be long, I hope, afore we works together, off and on, again, Betsey: and may our next meetin' be a large familys, where they will take it reg'lar, one from another, turn and turn about, and has it business-like."



# Uncle Sam Learns Business Sense

By WILLIAM PICKETT HELM

**B**RIGADIER GENERAL HERBERT M. LORD, Director of the Bureau of the Budget, is trying to reform the Government's methods of doing business. He wants the Government to adopt a sane and sensible form of contract, for one thing; to reduce the number of its purchasing agents, for another; to simplify and standardize the specifications covering commodities sold to the various departments; and to put into effect modern business practices in dealing with business men.

General Lord has a man's size job ahead. He knows the disrepute into which the government contract has fallen and he doesn't underestimate the work. He told a story the other day, at a gathering in Washington, illustrative of the kind of thing he has to encounter.

"A business man in San Francisco had a contract with the Government," he said. "There arose a situation which could have been cleared up, in ordinary business practice, at the cost of a letter and a postage stamp. But this was a government contract, so the contractor had to come from San Francisco to Washington to adjust the matter.

"After spending many weary, ineffectual days in Washington, the man wrote to his young son back home as follows:

"My son, when you become of age, if your country is at war fight for it to the last drop of your blood, but do no business with it."

Gordon A. Ramsay, a Chicago lawyer, who came here to help General Dawes simplify the Government's business methods, and stayed to help General Lord, Dawes' successor, aptly illustrates the Government's disrepute among contractors with this incident:

"A contractor, bidding on government work, figured the cost, including a reasonable profit, and then added \$10,000 to his bid. One of the government agents said to him, 'I do not understand why you add \$10,000 to your bid.' The contractor replied, 'Because I do not understand your contract. There are ten paragraphs of fine print here, each one of doubtful meaning, and so I

have added \$1,000 a paragraph to play safe!'

Another case that came recently to Mr. Ramsay's attention concerned a contractor who had erected a concrete chimney for the Navy at a cost of about \$10,000. The contract specified that the chimney was to be completed on a certain date. Soon after the contractor began work, the city of Washington, where the chimney was being erected, experienced a snowfall of nearly 30 inches, the heaviest in more than twenty years.

The work was delayed. The railroads couldn't deliver material on time, and the chimney was not finished until eleven days after the specified time. The Navy didn't need it for actual use even then; there was no rush about it; but the Government, under a clause in the contract, had no option but to impose a penalty of \$100 a day for the eleven days' delay. The contractor lost money.

In still another case a contractor was delivering to the Government chains for anchor cables. Because of events beyond his control he was delayed in deliveries. The chains were not needed for months after they were delivered, but the Government nevertheless imposed a penalty of \$18,000.

The Government leases space in many buildings. The standard form of lease for many years has tied the owner of the building to the Government for the full period of the lease, but has given the Government the right to cancel the lease on thirty days' notice. As a result the Government pays higher rentals than other lessees who do not enjoy the doubtful benefits of a cancellation clause.

The foregoing illustrations could easily be multiplied a hundred times. They explain why a government contract is unpopular. They shed light, for instance, on reasons why the Government has to pay a certain bridge builder half as much again to build its bridges as that same man receives from one of the country's chief railroads.

"If I'm building a bridge for a railroad," the builder says, "and an apparent mistake is found in the plans, it is only a question of a few hours or a day or so at the most before it is rectified. The railroad's engineers and our engineers get together and say, 'Well, the fellow that drew the plans made a slight mistake here, but we'll fix it up this way.' And the work goes on. But if that were a government bridge, that mistake would have to be taken up with the Secretary of War and we would have to get his O. K. before we could go ahead."

Now, that is not only unfair to the government contractor but it is also unfair to the Government itself. More than that, it is unfair to the taxpayers who support the Government, for it results in the Government's having to pay higher prices for what it gets. And higher prices, of course, lumped and totaled from many sources, mean higher taxes.

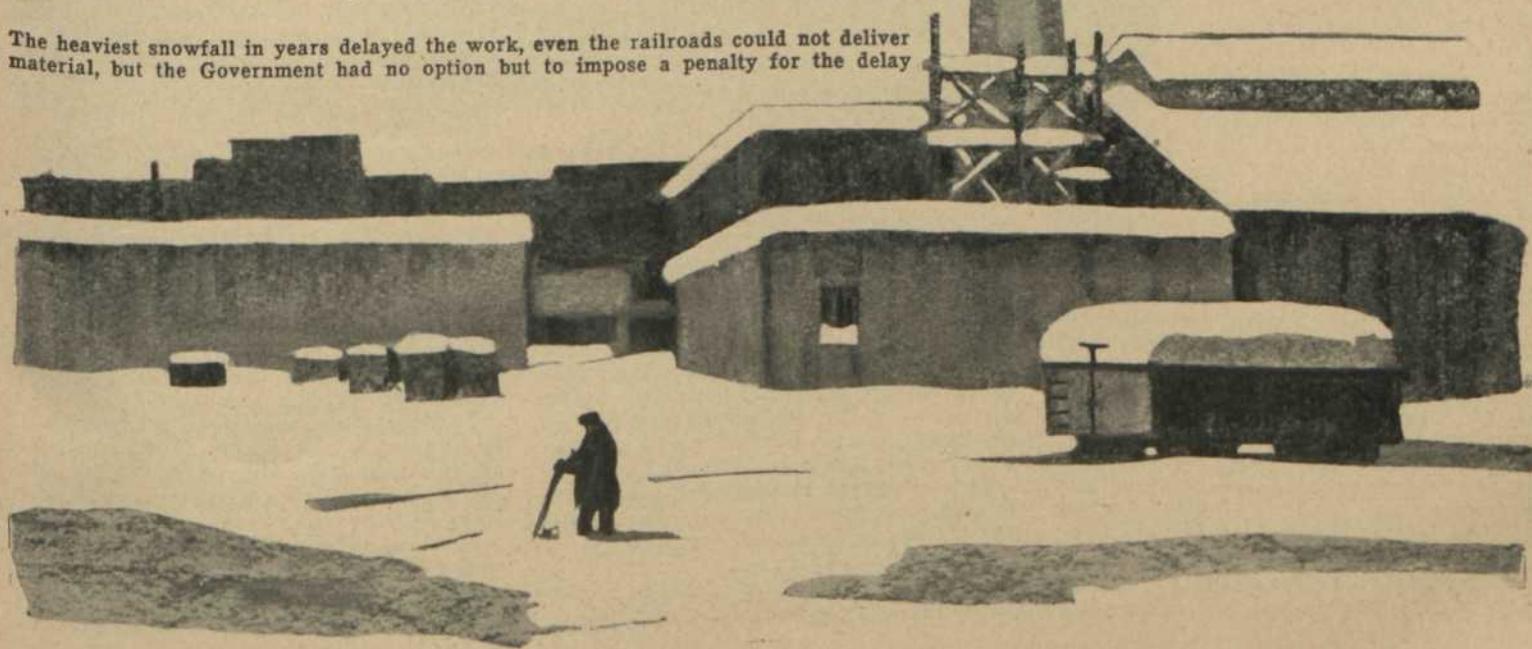
To correct that sort of thing, to simplify the Government's entire contractual relations with the firms supplying its requirements, General Dawes, the first Director of the Bureau of the Budget, established in his office machinery designed to study the causes of the government contract's unpopularity and to find a way of making it popular.

The work has been continued and pressed with great vigor by General Lord; first fruits of the labor have already been tasted and the entire be-devilment of red tape, useless impositions, unwarranted penalties and legal junk with which most contracts are burdened down is in a fair way to be removed.

In reforming the Government's methods of doing business General Lord and his staff have approached their task from three major avenues:

*First*, from the contracting angle by the Interdepartmental Board of Contracts and Adjustments which is seeking to standardize, harmonize and simplify the Government's forms of contracts

The heaviest snowfall in years delayed the work, even the railroads could not deliver material, but the Government had no option but to impose a penalty for the delay



and to remove unnecessary burdens upon the contractor. Mr. Ramsay, who is temporarily neglecting his private practice to give full time to this work, is chairman of the board.

Second, from the purchasing angle by the Federal Purchasing Board which is seeking to eliminate some of the Multitudinous and interlocking government purchasing agencies and to bring government requirements to the normal standard found safe and practical in ordinary commercial affairs. Lieut. Commander Smith Hempstone, U. S. N., is chairman of the Purchasing Board.

Third, from the specifications angle by the Federal Specifications Board. This board, working with private manufacturers and producers, has been engaged for more than a year in formulating practical specifications to cover the chief commodities purchased by the Government. The chairmanship of this board was vacated when Dr. S. W. Stratton resigned as Director of the Bureau of Standards, but the work is going on under the direction of Mr. N. F. Harriman, engineer-physicist, of the Bureau of Standards, who is acting chairman secretary of the board.

There is, too, in the office of the Bureau of the Budget other machinery which plays a minor part in the simplification process.

Each of the three boards named above is composed of representatives of the various governmental departments, commissions and boards concerned in buying what the Government needs. That means virtually all of the forty-three government departments and independent offices.

The boards meet regularly, generally twice a month, sometimes oftener. Purchasing agents of the various departments and independent offices hold membership in the Federal Purchasing Board. Contracting officers of the departments and independent offices are members of the Board of Contracts. Each department and independent office has a suitable representative on the Specifications Board.

The regular meetings develop the strength and the weaknesses of the Government's business methods. The boards collaborate fully with representatives of business interests. They have become clearing houses of ideas among the representatives of the Government themselves and between those representatives and the men who are doing business with the Government today.

At one of the early meetings of the Board of Contracts, the members were asked to supply copies of the forms of contract they used. They came to the next meeting literally weighed down with printed forms.

A count was made. It was found that the Government had 396 separate forms of contract to cover its various requirements. These contracts in all cases were dissimilar, no two being alike, and in many cases they were fogged with meaningless and unnecessary verbiage. In a number of instances there were unreasonable hardships imposed upon the contractor. A few of the contracts failed to contain certain basic clauses, such, for instance, as provision for the eight-hour work day and prohibition against the employment of convict labor.

"An examination of these documents," Mr. Ramsay reported to the director, "disclosed the fact that there was a multiplicity of forms for identical requirements, and that they did not conform to any standard rules common to all departments.

"They varied in size and appearance. Some were loose, some fastened together. Some were open at the side and some at the end. Some were of heavy legal size and some were of thin letter size paper. There was a diversity of terminology and phraseology in clauses of similar intent. There was lack of uniformity in the requirements as to execution and the security for the due performance of the contract."

The smallest of the contracts was about the size of note paper. The largest was about the size of a newspaper with both pages opened wide.

Obviously, the first step was to make the contracts uniform in size, if in nothing else. It required much time, considerable tact and a great deal of patience to accomplish this primary move. Some of the contracts had been in use for many years, having been modified from time to time to keep fairly abreast of changes, and officials were averse to changing anything. However, a standard size was finally agreed upon for all government contracts, and the first short step toward reforming the government contract had been taken.

The Public Printer then reported.

"It is believed," he said, "that should a standard size of 8 by 10½ inches be adopted and a uniform quality of paper used, a saving of \$30,000 a year would be effected." That saving, of course, meant in the printing alone of the contract form blanks.

If Mr. Ramsay had put on his hat and coat, quit work and gone to Chicago then and there, the taxpayers would have been \$30,000 a year to the good. But he didn't quit work. He adopted, instead, a program for simplifying the contents of the blank forms, whose size he had already standardized. His program included:

Making clear to contractors the exact obligations they are to assume, due to the simplification and standardization of the language of the contract by the publication of a Manual of Instructions.

Minimizing disputes and litigation through such standardization.

The removal of unnecessary restrictions, legal and departmental.

Perfecting contract forms so as to minimize losses which are apt to result through changes in government representatives during the performance of contract.

One of the next things to be done was to hunt up the law governing contracts. Mr. Ramsay found B. F. Harrah, assistant auditor of the Panama Canal, who showed great knowledge of the subject and aptitude for the work. Judge Harrah and a subcommittee looked up the law.

They unearthed 224 separate federal laws governing contracts between the United States Government and contractors. A crazier quilt was never seen.

Those laws were all compiled in one booklet. The board is studying them, and the

day is not far distant when the Bureau of the Budget will recommend to the President—and doubtless the President to Congress—the repeal of those 224 laws and the substitution therefor of a simplified, compact, intelligent public contract law relating to government contracts.

We have made the start already. As a result of much study a standardized contract covering the leasing of space for the Government is being put into effect among all executive branches of the Government. At the suggestion of the National Association of Building Owners and Managers, and as a matter of simple justice, it does not contain the cancellation clause.

The Government spends about \$21,000,000 annually in rentals and Mr. Ramsay has been advised that the use of the new contract form, in which equity has been substituted for unfairness, and clarity of meaning for ambiguous wording, will not only place the Government in the class of preferred tenant, but will save the taxpayers at least \$1,000,000 a year.

#### Moves Toward Definite Action

HERE is now under consideration a standard building and construction contract. About 90 per cent of the work on that contract has been done, and the prospect for its adoption within a short time appears bright.

A standard contract form for use in the purchase of supplies will then be drafted. That is not so far along as the construction contract, but measurable progress has been made.

The work of the contract board links up directly with the business man selling anything whatever to the Government. The two other boards mentioned have a less direct contact, perhaps, but their work is none the less important.

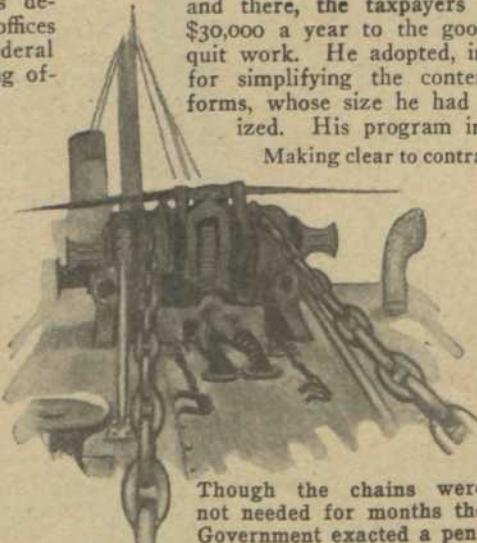
The Federal Purchasing Board, for instance, found eighteen separate purchasing agencies within the Treasury Department alone. It submitted to Secretary Mellon recommendations abolishing the system. They were adopted, and all treasury supplies are bought now by one central purchasing agency within the department. The Bureau of Engraving and Printing alone was excepted from the arrangement, and that exception was made for obvious reasons.

The Federal Specifications Board upon its inception took over certain standardized specifications which had been voluntarily adopted by two or more departments. The old arrangement was voluntary; the board required all departments and independent offices to adopt the standard. The list of standardized specifications was greatly extended and today includes nearly sixty commodities.

One notices among the list Portland cement, tires, linseed oil, turpentine, paints, varnishes, incandescent electric lamps, lumber, feed and forage, soaps, belting, hose, wood screws, tubing and cotton duck.

Standardized specifications are made with the aid of the producer. He has a voice, and a powerful one, in their making. He gets a chance to see and consider the tentative specifications before they are adopted and to comment, criticize and suggest.

In those three ways the Government is turning over a new leaf in its dealings with business men and firms. It is cutting out the red tape, deleting the ambiguous phrases from its contracts, lifting the unnecessary burdens upon the contractor and endeavoring with all becoming speed, to apply to its vast affairs the best modern business methods and practices.



Though the chains were not needed for months the Government exacted a penalty of \$18,000

# The Parcel Room of Business

By P. L. GERHARDT

And the famine was over all the face of earth; and Joseph opened all the storehouses, and sold unto the Egyptians.—*Genesis xli, 56.*

AND SO THE Bible records for the present generation the existence of storehouses 2,000 years B. C.

Is it surprising, therefore, that an instrumentality dating its origin so far back as this should, in our modern day, be fulfilling a similar economic purpose?

It is even more interesting to note that these Egyptian storehouses performed the same service in distribution—and for foodstuffs, too—that our modern warehouses are giving.

I have no desire, in this brief contribution to *The Nation's Business* series on distribution, to discuss the history of warehouses, but rather to suggest the answers to two questions:

What part does the warehouse play in the present-day scheme of distribution?

Is that part a justifiable one? In other words, does the warehouseman survive because he is a necessity or because we haven't found out how to do without him?

In answering the first question let me classify warehouses into the two great groups—primary and secondary.

No one, I think, will deny that the first class, the great cotton warehouses of the south or the mammoth granaries of the west, or the warehouse systems of marine terminals at our export points, are necessary. Useless, expensive, non-essential—these are not terms which we hear applied to them. But these structures, although they contribute their share to the economic flow which ends with the consumer, are for the most part in primary distribution—the transitory moving or temporary resting of raw material from its source to the thousand and one places of manufacturing or processing.

This primary warehouse and the services it performs are often lost sight of in our discussion of distribution; they are too far from the consumer.

With that other—the secondary class of warehouse, sometimes by a narrow definition called the distributing warehouse—we are more concerned.

It is this class of warehouse which generally is the topic of discussion among manufacturers and consumers, because it is the class which is directly encountered in the distribution of finished products from the source of production.

It is this secondary or distributing warehouse that is sometimes denounced as a parasite. Men say, and some of them men who ought to know better, that warehousing serves

no useful purpose and is merely an extra cost in the bill for distribution. They insist that not even does the manufacturer profit by warehousing save as it provides a place for storing surplus stocks, and that whatever use he makes of it only means an addition to the price that much-pitied individual, the ultimate consumer, must pay.

To all this I answer:

The modern commercial warehouse is an

cured with the assurance that it will be permanent, that it will not be erratic or uncertain and that it will be supplied at low cost and without constant expenditure.

The modern warehouse no longer is a reservoir for surplus stocks only. It has become an essential link in the chain of distribution. It is just as necessary a factor in transportation as the great steel roadways of the rail carriers, the locomotive or the freight car, the bridge or car ferry. If it were not, it would cease to exist as an important factor in distribution. It does not exist to destroy, but to augment and enhance, those other necessary factors with which it joins to complete the cycle of distribution from factory to consumer.

One indication in support of this contention is the ever-increasing growth of the industry. By reference to the capital investments it will be found that year by year the amount invested in warehouse plants and equipment is increasing.

It may be the industry's own fault that the public, even the business public, persists in asking: "Why a warehouse and why its added expense?"

Here's an instance from my own experience of the state of the public mind:

A leading and nationally known institution, conducting as a principal part of its activities, a system of modern public warehouses, had occasion to display, at a local exposition, an exhibit in the form of an excellently reproduced model of its enormous warehouse holdings.

A truly fine exhibition it was, but probably uninteresting to the layman until its many ramifications were explained. This was being done at intervals through the medium of a lecture. During a lull in the speaking, a well-meaning elderly woman made the pertinent inquiry as to what that "thing" was, referring to the model.

Upon being told it represented a system of modern fireproof, up-to-date warehouses, she retorted, "Those are the things which are causing the high cost of living."

The chance for missionary work was too good to be lost, and the well-meaning woman was taken in hand. It was explained to her that should a bag of coffee weighing approximately 132 pounds be kept in storage for a year, the entire cost that could be passed on would be less than a cent a pound. In the case of canned fruit and fish held in storage for the same length of time, the additional expense would be less than three-quarters of a cent per pound. For articles of greater value the cost of distribution storage is much less in proportion to sales price. And as I shall seek to show, if these



View of Electric Piler at work lifting bags on to top of a stack, Port of Manchester Warehouses. Taken from the Trafford Park Annual for 1923

essential to the effective, expeditious and economic distribution of merchandise. It offers to the non-resident manufacturer seeking market expansion an instrumentality through which competition may be met and by which articles essential to human existence may be supplied to the ultimate consumer at the lowest possible cost in the shortest possible time.

The modern commercial warehouse, and the thousand and one auxiliary services which such organizations perform, offer to many small manufacturers a combined warehousing and distributing system as comprehensive and as efficient as that employed by the largest national manufacturers in handling their own products. Further, this service can be se-

charges were not added to the costs of distribution, other and heavier charges would have to be made.

I have told this story to show the wide misapprehension of the functions of the warehouse and the ignorance that prevails as to the amount of the charges and the service rendered by the secondary warehouse.

We have shown that the cost per unit for warehouse service is small, so infinitesimal as to be negligible. True, on thousands of units the warehouse cost is a factor, but is it an added expense, or is it a just compensation paid for instrumentality which causes manifestly larger economies?

The day has passed when our communities are self-confined, each supplying its own needs from within its boundaries. Further, the modern customer demands clean, up-to-date stock at lowest costs, and competition makes it necessary that demand be met. The retailer will not wait patiently for a small order to arrive. If he doesn't get promptly what he wants, he'll get something else.

The World War period stressed this demand for quicker distribution. In five years the utilization of the warehouse increased more than in the preceding twenty years.

Cheap quick distribution is as important as cheap quick production, and the warehouse of today is a factor in supplying that need. Storage is not a slowing up but a speeding up of the flow from producer to consumer.

The warehouse acts like the reservoir of a city water supply system. During the period of heaviest seasonal production goods are stored in consumption centers where they are easily accessible and within short distances of the final user. This makes possible an assured supply of commodities at the time of greatest use, which may be, and often is, the period of lowest production.

#### Means More Rapid Distribution

THE properly organized service offered by the secondary distribution warehouse to manufacturers enables the latter to move large quantities of merchandise over long distances at carload rates, shortening the gap between the point of manufacture and the point of consumption when this gap is figured in dollars and cents. Freight charges are reduced, waste eliminated, and delays in transit cut to a minimum, while a prompter delivery is insured to the ultimate consumer, who gets his merchandise in better condition.

From the logically located distributing warehouse less-than-carload shipments—the usual retail order—go forward over short distances at less-than-carload rates. But the combined carload rate for the long haul from factory to warehouse plus the L. C. L. rate for the short haul from warehouse to retailer will have made a saving over the cost of a less-than-carload shipment over the whole route sufficient to reimburse the warehouse for its part in the work and still leave a margin. In addition there is a saving in time, since goods in quantity may be moved into warehouse when convenient, to be drawn out promptly as needed.

The warehouse offers a service comprising every known form of intermediate help between the receipt and reshipment of merchandise. Modern, fireproof structures supply light, clean, airy storage space for those spot stocks which put the wide-awake manufacturer always in the market. It is the agency through which the substitution of a competitor's goods is successfully combated and the justified demand of the consumer for fresh merchandise is promptly met.

#### What It Offers Manufacturers

THE modern warehouse assembles all the necessary facilities of transportation to reduce unnecessary handling, with its attendant loss, damage and delay. Direct track connections with the rail transportation systems of the country permit movement of merchandise to and from cars with an elimination of cartage and its burdensome expense. In addition, there have been perfected the thousand and one details of handling, marking, storing, packing, shipping and recording. And all of this service may be purchased, not at a problematical cost, but at a fixed, low, known charge, in cooperation with thousands of other manufacturers.

The number of manufacturers able to conduct carload sales is small. The largest manufacturers—who, by the way, were the pioneers in the utilization of warehouse service—are successful in conducting such sales only at a few large isolated consuming points.

A few examples supply proof as to the accuracy of the general brief which I am submitting for the utilization of the modern commercial warehouse.

A manufacturer of linoleum rugs located at Boston, Mass., has created sales in the terri-

tory west of the Missouri River. Tracing one particular order from Des Moines, an analysis of the railroad tariffs shows that the shipment in "less carload" quantities is subjected to a rate of \$1.82 per cwt.

The wise manufacturer does not make a "less carload" shipment. Such shipments are held with many other small shipments for the same territory until the aggregate is sufficient to secure a carload rate. The still wiser manufacturer, always in the market, does not wait until his orders are received, but anticipates sales by forwarding a supply to the break-up point, where it is held in warehouse so that the merchandise is more than half-way to destination when the order is received.

But assuming that he does not go so far in the use of warehouse facilities, the car of small shipments used in the illustration above moves, as a carload at carload rates, from Boston, Mass., to, we will say, Chicago, to which point the contents get a rate of 66 cents per cwt.

Upon the arrival of the car at the chosen warehouse at Chicago, the small shipments are immediately reforwarded over the shorter distance at "less carload" rates. In this particular case to Des Moines the movement has a rate of 73 cents per cwt., a direct saving in dollars and cents and an indirect saving in time, with an assured elimination of loss, damage and wasteful delay.

#### Take Kitchen Cabinets For Instance

MORE striking is another illustration, that of kitchen cabinets shipped from a factory in Indiana, to Seattle, Wash. By choosing a warehouse for the break-up service or for placement of reserve stock at Portland, Ore., it will be found that a shipment, less carload direct, at "less carload" rates, would be subjected to a rate of \$7.87½. By the use of warehouse distributing service and the combination carload rate to that break-up point, and the "less carload" rate beyond, a combination rate of \$3.59½ per cwt. would result in a saving of \$4.28 per cwt.

The saving would handle many hundred-weight of merchandise or give many carloads long-time storage in warehouse, and still leave a nice margin of added profit for the manufacturing concern which fully understands the function of the modern commercial warehouse and the varied uses in which its utilization of facilities would result.

# Flim-Flamming the Business Man

Being a letter from Howard Wheeler in Washington to Edward H. Skinner of the Skinner Machine Tool Company, Kensington, Indiana

WASHINGTON, D. C.,  
March 10, 1923.

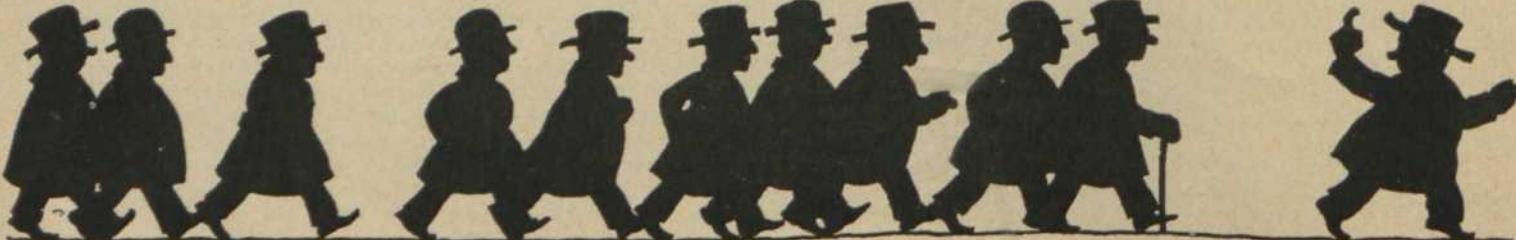
DEAR ED: It isn't fair to slam a fellow right between the eyes in the first sentence. I don't believe you've got a daughter old enough to marry. Guess she is doing pretty well by herself. The Talbots always were the right sort, even if old man Talbot did

take his eating tobacco to church with him.

So you're putting the old tool works back on the map. There are worse things than staying home. Last time I was in New York I met one of the Williamson boys, the one whose mother named him Percy and we called Bill. He put on an awful front, but I noticed he let me pay for the lunch.

You say you have a claim against the Government, but that it's mighty slow work getting it, and that Charlie White knows a man down here who's close to the Treasury folks and can shove it through for you in no time for a third of what he gets.

You want to know what I think; and here it is: Bunk! I don't know the man



Charlie is talking about, of course, but that's my bet. I tell you, Ed, Washington is full of these "close-in" birds. I don't mean by that that they're crooked, not all of them; but there's a mess of them that you might call devious—darned devious.

A friend of mine told me the other night about a small manufacturer who came down to Washington from, we'll say Toledo. Back home he'd got stirred up about a bill that was somewhere in the mill at the Capitol. It hit his business and he wanted to be in the know. Thought he'd better come to Washington himself and get his information first hand.

Some friend told him to look up a man down here, one of these "Sh-h-h! Leave-it-to-me" boys. So the Toledo manufacturer chap rings up this Mr. Fixit, who presently turns up at his hotel, very mysterious.

"Well," says Fixit, rubbing his chin in the most approved judicial manner, "well—of course, you understand there are ways of finding out," with just a touch on the loud pedal on the "are." "But, as you might say, you've got to know the ropes. Let me look around a bit. I'll meet you here tomorrow at 10.30."

Next day he's on deck again, very much pleased and still very mysterious.

"Come along with me," says the Sh-h-h artist, and the two of them hop a taxi for the Hill. There the factory man is led into the Senate Office Building, where Mr. Fixit pops into an office or two, leaving our friend and hero, Mr. George W. Come-on, out in the lobby. Pretty soon Fixit comes out looking wiser than ever and they hop over to the Capitol. Once more the visitor is left to wait in the rotunda to admire the statues while his new friend slips into another room.

He comes back in a minute looking like seven Solomons, only a lot more mysterious, and says:

"Quick! Come on. 'Sall right. But wait till we get in a cab."

Once in the cab, the business man is handed a copy of the bill and a committee report.

"Stick it in your pocket till you get back to the hotel," he is told. Which he does, of course; and in the end he pays \$250 for two documents which he could have had for nothing and a little patience, just by asking around.

Now I wouldn't swear that this story is true; but I don't doubt it for a minute. You hear a lot like it in Washington, stories that make you believe that one about the fellow that bought the Brooklyn Bridge; and that's why I say to be careful about the man you turn that claim over to. And paste this in your hat: If he's offering to take your claim on a straight contingent fee, look out for him. If he's not gambling, he's pretty apt to be playing a sure thing on information that you yourself can get. And if he is gambling, he's out to give you the short end.

The other day I heard about a man who had a cellar-full of lawful cheer that he wanted to move from one house to another. He filed his case all right and proper, and waited what seemed a darn long time for the permit. He got impatient and finally came to Washington himself, and promptly fell for one of those lads who was so close to the Prohibition Unit that he all

but slept there; used to work there, in fact.

"If you want that permit and want it in a hurry," was the assurance of this positive young man, "why I'm your huckleberry."

What was it worth? Well, money didn't worry the man who owned the cheer; what he did want was action.

So the huckleberry drifts over to the Internal Revenue Office, where he is known, asks about the permit, and traces it to the desk where it has just got its final signature and is waiting to be mailed.

The huckleberry recovered quickly from the shock of this surprise. "Thasso?" was his comment. "Fine! Mr. So-and-So is a sort of client of mine. Let me take the permit up to him, will you? Save the Government an envelope."

"Sure," says the obliging clerk; and the permit that would have gone out in 24 hours was delivered in person and cost five hundred berries. And I'll bet my new spring hat against a pair of brocade suspenders that when what's-his-name got his permit he set that young man down as a living wonder and is today advertising among his friends this Washington huckleberry of his.

What's all that got to do with you?

Well, Ed, it isn't going to hurt you a bit to look out that you're not paying for something that you'd get for nothing.

And look out for those fellows that are too talky about how close they are to the great. Why, a lawyer friend of mine who has a client with a case before the Mixed Claims Commission told me that the client got a letter from a man who wanted to handle his case and told him he had "exclusive entree to the State Department." I'll bet that baby has exclusive entree to the ocean at Atlantic City on July 4.

You don't have to be told, Ed, that nobody has exclusive entree to the State Department or any other department. Yet folks just as smart as you are fall for it.

It's kind of hard to understand, too. I think it must be because a lot of you men have got it firmly fixed in the back of your heads that the Government is slow and stupid—and crooked. It may be a little of all three, but it's not all of any one. And anybody who goes ahead on the basis that he's got to hire a slick sharper to get what he wants out of a stupid or crooked government is first cousin to the guy who buys "Western Union Rights" on the curb; and you know what they are—the rights to lean against a telegraph pole.

Don't get me wrong, though, about this agent fellow. If he's honest and really knows the government machine and his own business, he's a valuable person, for business with the Government can be speeded up by the man who knows how and is willing to play a straight game. We've been growing fast, and we haven't been running all to legs, either. As the country has grown, of course

the government has grown with it; and the responsible agent is a mighty useful bird.

A lawyer told me a case not long ago, that has a bearing on this. I think he was telling it against his own trade, too. A short-line railroad, one of those that no one ever heard of except the folks that live near enough to hear both of its engines, asked the Interstate Commerce Commission to approve an advance from the Government at a time when such advances were being made when proper facts were submitted. Well, this road got its money, something like \$175,000, which doesn't mean much when your Uncle Samuel starts to spend. Along some time later the Commission, or somebody that works in it, found a bill in the road's accounts for \$20,000 for an attorney or agent—someone who'd made 'em think he was right next to the I. C. C. and if they didn't hire him they'd get nothing.

And that case led right up to a special order that it wasn't necessary to employ attorneys and agents in cases like that.

And along about now, Ed, I can hear you saying: "Well, I'm no darn railway, and what's all this got to do with my hiring a man to get my money?"

Not a thing in the world if you are really hiring him and if you've checked up on him. But a whole lot if my guess is that it's because you think he's "close in"—has a "pull"—that you're interested in him, and that you haven't bothered to check up on him any further than to take Charlie White's say-so.

Another thing—don't you belong to some business association or manufacturer's organization that has a representative in Washington? They're pretty good folks to tie to and most of 'em are here to be helpful. Ask him about this man you're writing about.

You can write the Treasury Department to learn whether Charlie White's boy wonder is listed there as entitled to practice. There's a committee on Enrollment and Disbarment over at the Treasury, which puts the O. K. on some and the black mark on others.

The Treasury is too important for a man not to want to be on its lists if he is doing that kind of business. If a man is on the level, he can establish himself with the departments. All he has to do is to stick to the general rule that if he advertises or solicits business at all, he will simply state his business as a lawyer, accountant or agent, the special field he works in, and won't in any way suggest that he can get information or do things that other fellows can't.

I've wasted a lot of my good time and paper on you, Ed, and even my stenographer's looking bored, but maybe I've helped a little. Anyway, if you want to know anything more, drop me a line; and if I don't know the answer, I'll guess it. You know the lad that always, when he says good-bye, adds some fat-headed remark like:

"Don't take any wooden money."

Well, he's the lad that goes right down to the train and pays \$5 for a mysterious book in a sealed envelop that the candy butcher tells him not to open till he gets home. And then he finds it's the report of the State Highway Commission.

That's the same fellow, Ed, that, if he had more money, would be hiring some of these Washington agents. Write again.

Yours, HOWARD WHEELER.



# What Has Happened to Rubber

By CLAUDIUS H. HUSTON

Assistant Secretary of Commerce

IT REQUIRED some drastic legislation such as the British Rubber Restriction Act to impress upon the American people the importance of crude rubber and our absolute dependence upon one particular section of the world for our commercial and military needs.

A partial investigation of the crude rubber industry by the Department of Commerce has revealed a situation that is attracting the attention of the American people and challenging the ingenuity of the business fraternity, especially that portion directly interested in the consumption of crude rubber. This statement will not seem exaggerated when it is considered that America consumes 70 per cent of the world's supply and that in all probability the ratio of future consumption, based upon that of past years, may exceed even this figure.

Prior to 1900 the entire world's supply of crude rubber came from Brazil and Peru, being obtained from the para rubber tree, scientifically known as the "Hevea Brasiliensis," and was found principally in the upper valley of the Amazon. These trees did not grow in close proximity to each other but were widely scattered in dense tropical jungles, and in order to secure the rubber milk, or latex, which, after being treated, became crude rubber, it was necessary for the milk gatherer to take much time in locating the rubber-bearing trees and extracting the milk. This primitive method, combined with the lack of transportation facilities, greatly impeded the marketing of rubber in any considerable quantities. Prior to 1900 these countries yielded a supply not in excess of 50,000 tons per year. This, however, was sufficient under the existing conditions to supply America's needs at a reasonable cost to the consumer.

In 1876 an English scientist, conceiving the idea that rubber-bearing trees could be cultivated, secured some rubber seed which were germinated in London, the seedlings being transplanted by British capital to Ceylon and from Ceylon to Malaya and the Dutch East Indies. For a number of years the cultivation of these was in an experimental state. The British Government, however, encouraged and assisted in the development of their cultivation, and the effort was finally crowned with success. In 1900 wild areas in Brazil and elsewhere yielded 54,000 tons, while cultivated plantations yielded 4 tons. The success of the cultivated plantation has exceeded the fondest hopes of its experimenters. It is estimated that at this time there are 3,500,000 acres planted to rubber trees, 72 per cent of which are in British colonial possessions and 25 per cent in the Dutch East Indies.

The matter of crude rubber production was not of such vital importance to America prior to 1909, when automotive development began to expand in a most marvelous and unexpected manner. With this development the supply of crude rubber has necessarily been a ma-

terial and vital factor. Rubber, of course, is used in the manufacture of many commercial and mechanical articles. The manufacture of automobile tires, however, requires about 80 per cent of our entire consumption of rubber. It is very evident from the foregoing that rubber development and supply must keep pace with the growth of automotive transportation. This can be more readily comprehended by reference to the following, which shows automobile output since 1903:

Year	Output	Year	Output
1903	11,000	1913	485,000
1904	21,975	1914	569,045
1905	25,000	1915	892,618
1906	34,000	1916	1,583,617
1907	44,000	1917	1,868,947
1908	65,000	1918	1,153,637
1909	127,731	1919	1,974,016
1910	187,000	1920	2,205,197
1911	210,000	1921	1,668,550
1912	378,000	1922	2,576,000

"Though native para rubber sometimes averages as much as 25 per cent foreign matter it is considered superior to the plantation product"



Development of the automotive industry in foreign countries and especially in Europe has been greatly retarded on account of the war and economic conditions existing since that time. Statistics reveal that outside of the United States there are only 2,264,785 motor trucks and passenger cars, and it is entirely within the bounds of reason to assume that the industry in the outside world will develop rapidly in proportion to its re-

turn to normalcy. The astounding increase in automotive production in the United States from 1912 to 1922, inclusive, is shown in the figures on vehicle registration which follow, and indications are that an increase in registration will come with each succeeding year:

Year	Registration
1912	1,033,096
1913	1,287,558
1914	1,768,720
1915	2,479,742
1916	3,584,567
1917	4,992,152
1918	6,205,974
1919	7,596,503
1920	8,932,458
1921	10,505,660
1922	12,357,376

In many nations the use of the automobile is practically in its infancy. Should a motor development occur within the next two decades in foreign countries comparable to that which has taken place in the United States since 1910, the world's supply of crude rubber would be greatly inadequate.

The following table shows some important comparisons in crude rubber tonnage: (a) total world shipments of crude rubber from producing countries in the period of 1900 to 1922, as stated in Rickinson's "World's Rubber Position"; (b) the total annual quantity of crude rubber retained in the United States as shown by official customs statistics; and (c) the annual difference between these quantities, which represents the production of rubber over and above the amount consumed in the United States. Statistics in column "c" may be taken as equivalent to consumption outside of the United States up to 1915:

Year	(a)	(b)	(c)
1900	53,890	20,307	33,583
1901	54,850	22,954	31,896
1902	52,340	21,244	30,096
1903	55,590	23,240	32,710
1904	62,120	26,089	36,031
1905	52,145	27,021	35,124
1906	62,210	28,640	33,570
1907	69,000	28,817	40,183
1908	65,400	32,402	32,998
1909	69,600	39,789	29,811
1910	70,500	37,491	33,009
1911	75,149	34,464	40,658
1912	98,928	50,249	48,679
1913	108,440	49,851	58,589
1914	120,380	61,250	59,130
1915	158,702	96,793	61,909
1916	201,598	116,478	85,120
1917	265,698	177,088	88,610
1918	296,579	142,771	153,808
1919	326,860	236,762	89,884
1920	343,731	248,762	94,969
1921	293,960	179,668	114,292
1922	379,000	280,000	99,000

From 1901 to 1910, inclusive, the consumption outside of the United States totaled 336,428 long tons, an average of 33,643 tons annually, and from 1911 to 1915, inclusive, 268,992 long tons, an average of 53,798 tons annually. From 1916 to 1921, inclusive, shipments in excess of the amounts retained in the United States totaled 626,680 long tons, from which must be deducted the London and Liverpool stocks of crude rubber on December 31, 1921, which, according to

Rickinson, totaled 79,661. The consumption outside of the United States would then be 547,019 tons. This figure, however, is much below normal, since the period includes the year 1918 when shipping facilities were inadequate to remove rubber supplies, and the year 1921, which was a year of deflation and reduced manufacturing activities throughout the world.

It is conservatively estimated that during 1923 the United States will require 265,000 tons of rubber, while the requirements of all other countries are placed at 121,000 tons, a total of 386,000 tons. If, however, the rate of automotive development in the world continues at the same rate as from 1910 to 1923, over 800,000 tons of rubber will be required by 1940. Inasmuch as it takes rubber trees from six to eight years to reach the stage where tapping may be economically carried on, the production during the past ten years was the result of plantings in the Far East from the 1905 to 1915 period. If future requirements increase at a rate approximating that of the period from 1910 to and including 1923, then the planting from 1915 to 1930 would need to be approximately on the same scale as in the 1905 to 1915 period. The following table of planted acreage from Rickinson's "World's Rubber Position" discloses that plantations are not now being increased in a manner comparable to the early period:

Planted	Total for year, acres	Grand total, acres
1905.....	116,500	116,500
1906.....	177,700	294,200
1907.....	212,350	506,550
1908.....	180,800	687,350
1909.....	173,800	861,150
1910.....	261,400	1,122,550
1911.....	382,800	1,505,350
1912.....	312,000	1,817,350
1913.....	204,400	2,021,750
1914.....	159,300	2,181,050
1915.....	112,700	2,293,750
1916.....	165,200	2,458,950
1917.....	152,400	2,611,350
1918.....	148,600	2,759,950
1919.....	150,800	2,910,750
1920.....	110,000	3,020,750
1921.....	49,000	3,069,750

During 1922, except the last two months when British Restriction was put into effect, production was at a high rate, but it is not reasonable to assume that production from existing areas in bearing could far exceed 425,000 tons under ordinarily favorable conditions. Therefore, unless there is new development of plantation areas sufficient to provide about 375,000 additional tons annually by 1940, regardless of British restrictions a disastrous shortage appears inevitable.

#### Wild Rubber Does Not Offer a Solution

WE cannot look to wild rubber production to relieve the apparent shortage of future years, for experience has taught that on account of its inaccessibility and the many difficulties of securing and transporting it, competition with the plantation product cannot be successfully maintained.

The fact that this country is apparently faced with a shortage of rubber, the drastic restrictions by the British Government on the production and exportation of same, and the further fact that the British, together with the Dutch Colonial Government, control 95 per cent of the world's rubber supply in the Far East, have combined to produce the situation that has become vital to American rubber interests and which affects all of our people.

During the World War and a few years prior to it, the rubber plantation industry in the Far East reveled in unheard-of profits; but, like nearly every other industry, it felt sharply the result of the post-war deflation. It became so serious with them that the Rubber Growers' Association suggested that production be reduced 25 per cent for one year from November 1, 1920, and in 1921 suggested that the reduction be 50 per cent. These suggestions, however, mainly through lack of cooperation, did not remedy the situation arising from expansion of plantation during the war period, so that on October 2, 1922, the British Colonial Office recommended that a plan of governmental intervention be put into effect in Ceylon, the Malay States, and the Straits Settlements. The basis of this plan, which became effective November 1, 1922, was a sliding scale of export taxes graduated according to the percentage of rubber exported in stated quarterly periods as compared with the amount exported in the year ending October 31, 1920. Exportation during the first quarter was to be restricted to 60 per cent of production during one-quarter of the standard basic year, a small export duty to be levied on that percentage of standard production allowed to be exported and any tonnage in excess of allowances to be subject to heavier taxes applicable to the entire exports of any company and sufficient to absorb the entire revenue from such excess.

#### Increase in Price Due to Restrictions

THE purpose of the plan was to assure higher prices in the London market for the relief of the rubber producers. These restrictions have been directly responsible for the tremendous increase in the price of crude rubber. On October 2, 1922, prior to any intimation that restrictive measures would be adopted, the price of spot rubber was 15 $\frac{1}{4}$  cents per pound. On October 11, 1922, the day of the publication of the supplementary report of the committee recommending the restrictions, the price had risen to 16 $\frac{1}{8}$  cents; on November 1, 1922, when restrictions of exports first became effective, the price was 22 $\frac{3}{8}$  cents; on January 2, 1923, after two months of restriction, 28 $\frac{1}{2}$  cents, and on February 14, 1923, 35 $\frac{3}{4}$  cents. If the United States uses 265,000 tons of rubber during 1923 at 35 cents to 40 cents per pound instead of at 15 cents to 20 cents, the added cost to American consumers will be approximately \$118,720,000.

Judging from the decreased exports from British Malaya and Ceylon and the continued high rate of consumption throughout the world, this tremendous increase in price of rubber in such a short space of time may continue. This additional cost will be reflected in the price to the American consumer of every product involving the use of rubber. Inasmuch as 80 per cent of this commodity is consumed in the manufacture of automobile tires, it can be readily seen that the increased cost will be reflected in the market price of automobiles and trucks. The ramifications of the effect of curtailment on the automobile industry are many and varied. It would certainly be reflected in the great movement for better highways in this country, because when a person becomes the owner of an automobile he concurrently becomes interested in good roads.

The principle of government curtailment or restriction of the production of such a basic commodity as crude rubber is economically unsound and wrong. While the British Government has the inherent right to do this, on the other hand those affected by it have

an equal right to combat such action. Undoubtedly, if the restriction under consideration should prove successful to any great extent, it would encourage similar action by many nations affecting other basic commodities. The result would be a chaotic condition with respect to the law of supply and demand.

There is a conflict of opinions as to the propriety of this Government taking any action in the present crisis. The rubber manufacturers of this country are keenly awake to the fact that the British Restriction Act calls for immediate effective action to relieve the situation existing and threatened. In January of this year a conference was held in New York between a committee of the American Rubber Manufacturers and the British Rubber Growers' Association to discuss rubber consumption in this country. Following this a meeting of the rubber manufacturers was held in Washington, D. C., on February 27, at which an extended discussion was entered into concerning the situation and its remedies.

The primary purpose of the Bureau of Foreign and Domestic Commerce is to facilitate commercial relations between the United States and foreign countries and to be of service to the industry and commerce of this country. It would, therefore, seem but fitting and proper that the Government should aid the rubber industry in every way possible to relieve the pressure in the matter of our threatened shortage of this basic commodity. The Government is vitally interested in this matter, aside from the commercial features of it, inasmuch as the commodity affected is one of prime importance in warfare. It is within the recollection of all that during the World War the sharpest kind of competition existed to secure crude rubber. The Government's interest is apparent when it is considered that 95 per cent of this product is obtained from the British and Dutch possessions, which are so close to each other geographically that it would be a comparatively easy feat for any first-class power completely to cut off our supply in the event of war.

#### Raising Our Own Rubber

THE solution of this situation, fraught with so many dangers from an economic and safety standpoint, would seem to lie in rubber cultivation with American capital, either in the Philippine Islands or South America, so that our source of supply of this important commodity will be close at hand, or at least not be subject to arbitrary restriction and interference by foreign powers. Rubber plantations owned by American capital in some sections under our control in competition with the British would eventually not only stabilize the market but would insure to the rubber-consuming industry of this country an adequate and certain source of supply.

In harmony with this idea, the Department of Commerce asked Congress for an emergency appropriation of \$500,000, of which \$400,000 is to be available to the Department of Commerce and \$100,000 to the Department of Agriculture, not for the purpose of entering into the rubber industry but for investigation and experimentation to the end that the Government may be of service to American industry in the cultivation and development of crude rubber.

This appropriation was passed by Congress without a dissenting vote, and the Department of Commerce is at this time arranging its force to make a thorough world's survey of rubber conditions with a view to having a comprehensive report available for the consideration of the next Congress.

# Putting Your Premium to Work

THE POLICYHOLDER pays his premiums to the insurance company. In return he receives insurance protection which safeguards his family, strengthens his credit, and enables him to expand his business. His premiums have helped make possible this institution which thus protects him. They not only provide the protection immediately desired, but, in addition, their influence extends into all the industrial and economic processes of life.

All of the policyholder's premium is not immediately paid out in losses or used for expenses. As required by law, a certain portion must be retained as a reserve. The policyholder is vitally interested in the security of these reserves from which claims will be paid. Various states have therefore held that the safety of these funds is a matter of public interest. Accordingly, most states have prescribed the type of investment which insurance companies are permitted to make.

The reserves of insurance companies are not idle. Insurance companies, as well as savings banks and individual investors, are an important source of capital which makes the great projects of the modern age possible, according to facts which were submitted to the Life Presidents Association by Mr. William W. McClench, President, Massachusetts Mutual Life Insurance Company, Springfield, Mass., and William H. Kingsley, Vice-President, Penn Mutual Life Insurance Company of Philadelphia, Pennsylvania. The assets owned by all insurance carriers in this country were estimated at the end of 1922 to be about eleven billion dollars.

## Variety of Interests Are Helped

INSURANCE investments assist the farmer to make improvements or plant a larger acreage. They aid the householder in constructing a more attractive and comfortable home. These funds make possible the construction of public buildings, parks, school houses, roads and other facilities which aid in uplifting the social life of the community. Our great transportation, telephone and telegraph systems have been assisted in their development, to a great extent, by these investments. Many of our public utilities owe part of their development to insurance funds.

In order that we might see just what one field of insurance has contributed to the development of a national industrial and community life, let us consider the contributions of life insurance as an institution.

When we enter the realm of life insurance investments, we leave the press agent outside. The story we seek comes to us from the bookkeeper and accountant, not from the publicity director. It comes in dreary totals of bristling figures with little more continuity than the contents of the dictionary. Yet the whole of the tale fascinates with its romance and efficiency.

The life insurance companies of the United States collectively constitute the greatest American investor, the banks alone excepted. For more than sixty years life insurance funds have formed one of the largest reservoirs of private wealth to which business

## Did This ever occur to you?

It is perfectly possible that the home you left this morning was built with life insurance money; that the street you live on was paved by it; that you rode to your work on a life insurance street railway, and went to work in an office building that was erected on money supplied by policyholders just like yourself. It is not improbable that the potatoes you ordered at the green grocer's on the way home as per the wife's instruction in the morning were life insurance potatoes.

That's the answer to your occasional speculation as to what becomes of the money put out every year to protect those dependent on you. How this has come about is described in this article.—EDITOR.

enterprise has had access. Life insurance money has helped the nation to finance three wars; it has been poured out in millions to aid in building our railroads; it has been lent by the hundreds of millions to our states, towns and cities; it has been at the disposal of the home-builder wherever he built, and it has been the farmer's refuge in his hour of need.

The general public knows little of life insurance loans and investments, notwithstanding that all are hedged about by laws, many and strict, designed to protect the policyholder. Yet the mere magnitude of these transactions, totaling almost eight billions of dollars, in itself is sensational.

Anomalous as it appears, the prime business of our greatest private investor is not investing at all, but insuring lives.

At the close of 1921 it had applied itself to its first concern with such effect that there were outstanding more than 70,000,000 policies, both ordinary and industrial, with face value of nearly forty-six billions of dollars. Within sixty-one years the life insurance companies and reserves had risen from twenty-seven million to nearly eight billion dollars.

Special reports from nearly all the life insurance companies of America—about 94 per cent—cover investments in 1921 aggregating nearly seven and one-half billions out of the total of about eight billions for all life insurance companies. These reports show the reporting companies to have invested their assets in the following manner:

Real estate .....	\$147,831,474.37
Mortgage loans .....	2,556,719,426.09
Collateral loans .....	25,665,137.91
Policy loans .....	968,530,150.95
Railroad stocks and bonds .....	1,769,846,344.90
Government, state, county, and municipal bonds .....	1,405,977,668.67
Other stocks and bonds .....	224,033,439.53
Cash .....	92,961,819.26
Investments that cannot be geographically divided, and miscellaneous assets .....	255,836,625.02
Total .....	\$7,447,402,086.70

The insurance companies, according to the table, own about 9 per cent of the railroad systems of the United States. They do not, of course, own any single system outright; but their aggregate holdings of railroad securities amount to about 9 per cent of the capitalization of all our railroad lines, total-

ing about twenty billions at the close of 1921.

Put in another way, the insurance companies' investments in railroad securities are equivalent to the outright ownership of about 22,500 miles of line, with accompanying sidetrack, terminals, yards, rolling stock, motive power, real estate and all other possessions of the ordinary, average railroad company. Such mileage is equivalent to three transcontinental systems, each double-tracked, with upwards of 5,000 locomotives and 200,000 freight cars.

This great investment in railroad securities was not made within the past few years. The history of American railroading shows that 75 per cent of our 250,000 miles of line was constructed in the forty years beginning with 1870 and ending with 1910. During that period the insurance companies were, perhaps, the greatest single financial aid to the fast building of carriers, insurance dollars carrying the rails into the virgin stretches of the west.

Proportionately, the funds lent to the railroads in the form of investments in their securities fell off as the needs of the roads for fresh capital grew less urgent. We find, for instance, that during the year 1921 the insurance companies' railroad security holdings decreased nearly \$23,000,000, while investments in other lines of enterprise, notably farm mortgages, increased more than \$637,000,000.

In 1922, however, the railroads, recovering from the financial depression and facing the need for upbuilding their lines, yards and equipment, called on the insurance companies for further aid. It was forthcoming to the extent of \$95,000,000 during the first ten months of the year—an indication of the use to which this great reservoir of capital can be put when needed, and of the manner in which the companies respond to the call of sound business enterprise for financial assistance.

## Greatest Investors in Government Bonds

THE insurance companies' investments in government bonds were among the greatest of any industry during the World War. They also were among the greatest, if not the greatest, of any industry during the Civil War. So heavily did the insurance companies invest in obligations of the national government during the sixties that six years after the close of the Civil War 10 per cent of all the assets of all the New York companies were tied up in these low-interest holdings.

At the close of 1921, the life insurance companies reporting their holdings had nearly invested \$800,000,000 in United States government bonds, or more than the entire outstanding issue of Victory Notes which the Treasury Department will retire next May.

In addition to bonds of the federal government, the insurance companies owned about \$609,000,000 in other governmental issues, for the most part state and municipal bonds. The outstanding feature of their investments during the decade ending with 1921 was the increase in the amount invested in government, state and municipal obliga-

tions. In 1911 the sum was slightly more than \$237,000,000. During the next ten years it increased more than 491 per cent.

The record shows that the life insurance companies alone hold today between 4 and 5 per cent of the outstanding national debt.

Analysis of the geographical distribution of life insurance investment discloses that this American investor has harkened with willing ear to the plea of the pioneer and the home-builder. The greatest outpouring of funds was, as noted, in response to the Government's call for money in the World War; the next greatest was in answer to the farmer and the city property owner.

During the ten years ending with 1921, the investment in mortgage loans rose 108 per cent, or from \$1,228,000,000 to more than \$2,556,000,000. While loans increased 108 per cent, the value of the property on which these loans were made increased but 90 per cent, including in that average the sensational sectional advances in rural properties recorded during the farm land boom of 1918 and 1920.

The geographical distribution of life insurance investments in 1921 shows an increase over 1911 in the case of New England of more than 91.95 per cent; in the Middle Atlantic States, 46.59 per cent; in the Central Northern States, 83.02 per cent; in the South Atlantic States, 171.93 per cent; in the Gulf and Mississippi Valley district, 135.38 per cent; in the Southwestern States, 114 per cent; in the northwestern States, 153.22, and in the Pacific States, 109.56 per cent.

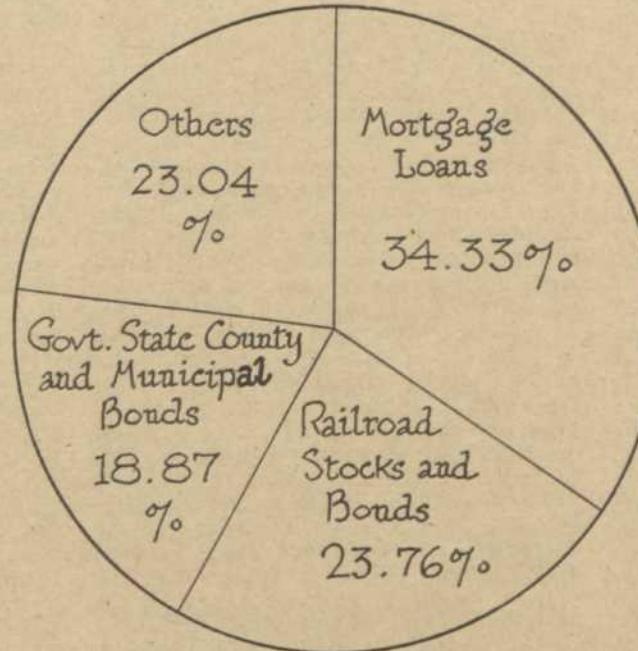
During the single year of 1921 mortgage loans increased more than \$350,000,000 over the amount lent in 1920, or nearly 57 per cent of the entire increase for the year.

Figures for 1922 are not complete, but reports covering the first ten months of the year show that the demand for farm and building loans still continued strong but at a slackening rate, there having been an increase of \$218,800,000 during the ten months as compared with \$350,000,000 for the entire year of 1921. Of the \$218,800,000, \$112,300,000 was lent on farm lands and \$106,500,000 on city property.

In the rôle of financier to the farmer the life insurance companies hold the center of the stage. During the year 1921 they made new farm loans aggregating more than \$304,000,000. During the same period the Federal Farm Loan Banks, organized by the government for the purpose of aiding the farmer and backed by the federal govern-

ment with federal funds, lent approximately \$91,000,000 and the Joint Stock Land Banks slightly more than \$9,000,000.

The total of the loans made by these two agencies is but a scant one-third of the sum



Showing how the investments of the life insurance companies are divided

made available to the farmers of the nation by the life insurance companies.

Farm lands of the country and the buildings thereon are valued by the census bureau at \$66,000,000,000 in 1920. Sixty per cent of the farms are free of mortgage; but the other 40 per cent are mortgaged to the extent of about \$8,000,000,000, all told. In other words, 40 per cent of the farmers have borrowed on their land. Of the sum lent these farmers, the life insurance companies alone have contributed nearly one-sixth.

To what farms has this money gone? During the seven years ending with 1921 life insurance companies increased the amount of their farm loans in the Northwestern States by \$320,000,000, or more than 112 per cent. In the states of Iowa, Minnesota, Nebraska, the Dakotas, Wyoming, and Montana, they had outstanding, in farm loans \$604,998,826 on December 31, 1921. That section led all others in the total of insurance money invested in farm mortgages. The probable reason for that is that the needs of that section were the greatest.

In the southwestern section, comprising the states of Missouri, Arkansas, Texas, Kansas, Colorado, New Mexico and Oklahoma, the insurance companies had outstand-

ing in farm loans at the end of 1921, a total of more than \$357,000,000. Within the seven-year period insurance loans to farmers there jumped more than 90 per cent. In Ohio, Michigan, Indiana, Illinois and Wisconsin life insurance money invested in farm mortgages jumped from less than \$117,000,000 in 1914 to more than \$181,000,000 in 1921, an increase of more than 55 per cent.

The greatest percentage increases in farm loans by insurance companies were recorded in the south, although the amount of the loans was not so great as in the sections cited. In Virginia, West Virginia, the Carolinas, Georgia and Florida, that class of loans jumped 202 per cent or \$61,700,000 within the seven years; and in Alabama, Mississippi, Tennessee, Kentucky and Louisiana, 233 per cent or \$69,500,000.

As compared with the great increase of about \$650,000,000 in farm mortgage investments in those seven years, the increases in city mortgage loans, \$242,000,000, show, by contrast, how great has been the swing toward the farm loans. The Middle Atlantic States show the highest rate of increase in city mortgages, or nearly 36 per cent, with no other section showing so much as a 20 per cent increase.

In making their farm loans, the insurance companies invited no Shylock to their councils.

There were only nine states in the country in which the rates of life insurance companies were higher in 1921 than the average rates reported by the census in 1920. In all other states the life insurance rates were lower than the average. The average interest rate of life insurance companies on farm loans the country over was 5.86 per cent; the average rate reported by the census was 6.1 per cent.

As the life insurance loans were included in the average reported by the census and as life insurance farm loans were one-sixth of the total, they helped pull the average down. In other words, the average rate of other lenders than the life insurance companies must, of necessity, have been measurably higher than 6.1 per cent.

Such are the ways of our greatest private investor. The temptation here is to end this article with a brief summary pointing to the merits of our greatest investor's achievement and of its methods, singularly free from the blare of the press agent. But, instead, we shall let the bald facts speak for themselves. These facts are indicative of the contributions which policyholders' dollars are making toward national development.

## What Next for Our Ships?

**A** RECALCITRANT minority of the Senate having filibustered the subsidy measure to an untimely end, the grave and imperative duty to which the Shipping Board must now necessarily give attention is, what shall be done with our ships? and by "our ships" is meant, of course, the ships that came into existence through expenditure of the taxpayers' money.

The privately-owned ships must make shift as best they may in facing, unaided by Government, competitive conditions that at present permit but slight assurance of success. In respect of the taxpayers' ships the Ship-

ping Board has announced its tentative program. This program will doubtless be subjected to modifications as its development proceeds, but generally it will adhere pretty closely to the announcement.

In the first place, it may be asserted with considerable confidence, the Shipping Board proposes to get the Government out of the business of owning and operating ships as speedily as may be.

The Merchant Marine Act of 1920, under which the present board was constituted, authorized and directed the board to sell as soon as practicable, all of the vessels acquired by the board at such prices and on such terms as the board might prescribe. The board was also authorized to sell to aliens such vessels as it should, after careful investigation, deem unnecessary to the pro-

motion and maintenance of an efficient American merchant marine, but such sales to aliens were to be made only if the board was unable to sell such vessels to citizens of the United States.

Pursuant to this authority, then, the Shipping Board proposes to sell in the first place all its passenger ships now in service and the others, particularly the ex-German ships, as fast as they are reconditioned. Of these there are about twenty-eight in service and ten not in service. All of them it expects to sell to the private corporations that are now operating them.

But this does not apply to the ships of the United States lines, at least not at present, and not until five of them, including the *Leviathan*, are reconditioned and ready for service.

The disposal of the hundreds of cargo ships presents an entirely different problem. The Shipping Board is now operating about 390 cargo ships out of various Atlantic, Gulf and Pacific coast ports as cargo liners. These lines were established pursuant to the mandate of the Merchant Marine Act of 1920, which authorized the board to put in operation lines to such world and domestic markets as in its judgment were desirable for the promotion and maintenance of the foreign and coastwise trade of the United States, and an adequate postal service.

The board was also authorized to sell such of its vessels as would meet these requirements to responsible citizens of the United States who would agree to establish and maintain such lines, and in the event that no citizens could be secured to supply such service by the purchase or charter of such vessels, the board was directed to operate vessels on such lines until the business was developed so that such vessels might be sold and their service maintained, or until it should appear within a reasonable time that such lines could not be made self-sustaining.

The board sold or chartered but very few ships for the purpose contemplated by the act. Nearly all of the lines established were so established and maintained by the board at the Government expense, and their maintenance and operation has cost many millions of dollars. After four years of endeavor to make all of these lines successful, and having failed in respect of many of them, the board is proposing to offer all of the lines for sale. If no offers are received, the ships will be withdrawn from the unprofitable services and the lines abandoned.

The board believes that if the country is unwilling to pay a direct subsidy for the operation of these unprofitable ships, the board itself is not justified in paying them an indirect subsidy by guaranteeing out of the

Government funds the losses which the ships are now sustaining. For the few lines that show an operating profit it is believed purchasers will be found, because if they show an operating profit under Government management, they probably can do better than that under private management.

Hundreds of the cargo ships that were poorly constructed and poorly engined will be scrapped, as an alternative to the tremendous expenditure that would be involved in reconditioning them and making them fit for service.

In fixing the sale price of all the ships, in the exercise of the discretion vested in it by law, the board will undoubtedly consider the future of these ships in a commercial sense, and will set a price that will bear some relation to the benefits that were expected to be derived from a Government subsidy and to the price that would have been fixed had the subsidy been granted.

And, finally, it is to be understood that this outline of the board's probable action in the premises has no official significance, except so far as the general announcement referred to, and earlier statements of the chairman of the board made from time to time, give it such significance. But anyone who wants to make a good guess as to how the Shipping Board will perform in the matter will not go astray if he adopts this one.

## Congress on the Trail of Facts

### *Flash lights on the struggle to record the will of the people on the statute books*

automobile for maintenance. The budget allowance was \$26. This is a question which is brought home to many American families and it may be well to know just what was said:

Senator JONES (Wash.): I just want to say this: I think \$26 will practically keep a man's private car and give it to him for his own pleasure, and I base that on my own experience. I have a little car that I run over 700 miles a month, and it does not cost me \$26 a month to do it and take care of the garage rent, too. I am just basing my judgment on my own experience.

Major BESSON (Assistant Engineer Commissioner): Well, sir, I have studied a great deal of cost data, and you cannot—

Senator JONES: I do not care a thing about that. I pay these bills.

Senator SPENCER (Mo.): I have a Ford, and it costs me more than that.

Major BESSON: But you are an exception, sir, and you have to take the average. The average does not come down to 5 cents a mile.

Senator JONES: I have a Packard Six, a small one.

Colonel KELLER (Engineer Commissioner): I do not see how you get by with that.

Senator JONES: Well, I do.

Colonel KELLER: It costs me more than that to run a Dodge.

Senator BALL (Del.): Is the depreciation included in that?

Senator JONES: No; I am talking about the actual expense it is to me.

Major BESSON: I should think your gas would eat up more than that, sir. Our average for tires is more than 2 cents a mile.

Senator JONES: I run mine a whole lot,

and I still have the tires on it that I got over a year ago. They are still there.

Major BESSON: But when you pop one tire, there goes \$50, perhaps.

Senator JONES: That is true; but it has run 11,000 miles now without a single new tire.

Colonel KELLER: But you have not started to count your tires yet.

Senator JONES: That is all true; but you are going to pay \$26 every month in the year for this. It does not make any difference whether a tire goes out or not. I will run my car on your \$26 a month, and I will get a whole lot of pleasure out of it, too.

Senator BALL: Senator, \$26 a month will not pay your gasoline bill.

Senator JONES: But it does. I do not care what anybody says about it; it does.

Senator SPENCER: You do not run your car two hours a day. You cannot do it.

Senator JONES: I will average 700 miles a month.

Senator SPENCER: That is counting a trip on Sunday and on Saturday.

Senator JONES: Certainly.

Senator SPENCER: But what wears the car out in these frequent inspections, and so on.

Senator JONES: I have gone 11,000 miles the last year.

Senator SPENCER: You do not run your car two hours a day.

Senator JONES: But I make 11,000 miles a year out of it.

Colonel KELLER: Do you have garage rent to pay?

Senator JONES: Yes; I do.

Colonel KELLER: Is that included?

Senator JONES: Yes.

Colonel KELLER: I do not see how you do it.

**SENATOR CARAWAY** (Ark.) had the floor one day recently when another phase of the automobile problem was incidentally focused. "By way of explanation," said the Senator, "I desire to say that the Government

### Wherein Is Debated the Cost of Keeping a Devil Wagon

IT WAS even so in the Senate Committee on Appropriations when it fell within the domain of the Engineer Commissioner of the District of Columbia to figure out an estimate of \$35 per month per

is expected to furnish the director of the bureau an automobile. This is the automobile for which Mr. Hill asked, and its equipment is what I wish to call to the attention of the Senate. . . .

"One four-door, six-passenger sedan; equipped with cord tires, motormeter, and bar cap—

"Now listen—  
smoking set, lady's vanity case."

Senator KING (Utah): Does the Senator mean that Congress appropriated money for a car for a man of that character and for a man holding that office?

Senator CARAWAY: Well, Congress does not appropriate the money for that particular purpose. . . . Congress provides the funds and they are used to buy cars. I desire to digress here long enough to say that Mr. Mellon, in my judgment, however one may criticize his views, is a real man. Of all the master minds, not even excluding Doctor Sawyer, I think that Mellon is the best appointment the President made; and I have in mind that he also appointed Harry Daugherty when I make that statement. However, Mr. Mellon turned this order down, lady's vanity case and all, because Mellon could not understand what Hill needed with a vanity case for a lady when his wife would not live with him. So he did not get the vanity case nor the smoking set.

On a day in January Senator McKellar (Tenn.) was making a drive on government-owned and maintained automobiles and singled out the Shipping Board, which then was charged with 29. "I understand they have about a thousand ships tied up which they say they cannot run. They seem to be able to run passenger automobiles better than they do ships. I think probably it would be very wise to turn over to them some land transportation problem, as they seem to know better how to run automobiles than how to run ships."

Senator Smoot (Utah) reminded him that "we had thousands and tens of thousands of automobiles stacked up all over the United States and we might as well use them and save the time of the men running around . . . but anybody who ever operated an automobile and paid the expense of the maintenance knew that it was not all velvet, even though we did own the automobiles and it would not cost us anything to get them."

Wherein Mr.  
Lasker, Having  
Fought the  
Sea's Problem,  
Says He's  
Ready to Face  
Anything on  
Land

**I**N THE hearings on the proposed ship subsidy bill, the chairman of the Shipping Board jocularly proposed to tackle land problems if given leave.

"Your idea," inquired Representative Davis (Tenn.), "is that trade follows the ships instead of ships following the trade?"

Mr. LASKER: . . . I am willing to concur that ships are the greatest agency of trade and where ships go, under intelligent management, trade will finally develop.

Mr. DAVIS: But you will agree, will you not, to state it in a homely way, that ships are the children and not the parents of commerce?

Mr. LASKER: That is like asking which comes first, the hen or the egg. I am not good at riddles. It has been suggested to me that we built our railroads first going west and that the trade followed.

Mr. DAVIS: Do you think if we gave the farmers 25 additional plows it would increase the arable land?

Mr. LASKER: I am not a farmer. I have really only been a regular advertising expert

until I came down here to handle this shipping. I will say this, if you will just give me six months away from here, I will go into the agricultural problem and try to help you solve that.

Mr. DAVIS: You will try that proposition out?

Mr. LASKER: I was the only man who would take this job. The President couldn't get anyone else, and as Eva Tanguay says, in her song, "Gee, it is great to be crazy." I will tackle agriculture for you in a couple of months.

Mr. FREE (Calif.): Come out to California.

Mr. DAVIS: This is a very bad time to tackle it, I will tell you that.

Mr. LASKER: As the owner of some farm-loan bonds, don't scare me.

Mr. BRIGGS (Texas) objected to Mr. Lasker's characterization of a large part of the ships as from "fair to useless." "Most fellows are going to look at that from the latter viewpoint. They are not going to look at it from the 'fair' standpoint at all. You send a man a basket of eggs and say from fair to rotten, and he is going to put such an estimate on them that he will conclude he doesn't want any."

Mr. LASKER: You can hardly liken eggs, which from experience I know lend themselves

to deception, to these ships. No one who has money enough to buy these ships is going to be fooled by them.

Further on, Mr. Davis adverted to the "instrumentality of a few strong companies" through which he believed Mr. Lasker thought it best to "obtain a successful American merchant marine."

Mr. LASKER: No, sir, I never stated that. . . . But under the administration of President Wilson ships were sold to hair dressers; ships were sold to theatrical agents, and to all manner of people, with the result that these ships were

libeled all over the world. . . . We have got to get private investors interested. Mind you, they can talk all they want to of Wall Street men. . . .

Mr. DAVIS: I never mentioned Wall Street men.

Mr. LASKER: I don't mean you; I mean anyone can—and that Wall Street and the large companies will get this. In the end it is the great mass of investors who will put their money into it.

Mr. DAVIS: I have a brother who has an office in Wall Street.

Mr. LASKER: Well, I have no Wall Street connections, and I will admit I keep clear of them. I am scared to death of anybody from Wall Street. He frightens me to death—well, I would be frightened of anybody with a brother on Wall Street save the good old judge.

"Mr. Lasker told Mr. McKellar in Louisville, Ky., and myself," said Mr. Malcolm Stewart, of Cincinnati, "that the Shipping Board was losing a million dollars a month in operations, and Mr. McKellar laughed at him. He said: 'Why the Southern Railway frequently does that, so if a big concern like the Shipping Board is crying about a million-dollar loss on operations, it is a small thing to be complaining about. We have done that many a time—lost a million dollars in a month on operations.' . . . In bad times it would be nothing unusual for a transportation company to drop a big wad of money."

And now the congressional mind, moving from the staggering expenditure of \$26 a month for automobile maintenance to the loss of a million a month, a mere matter of moonshine, refocuses on a

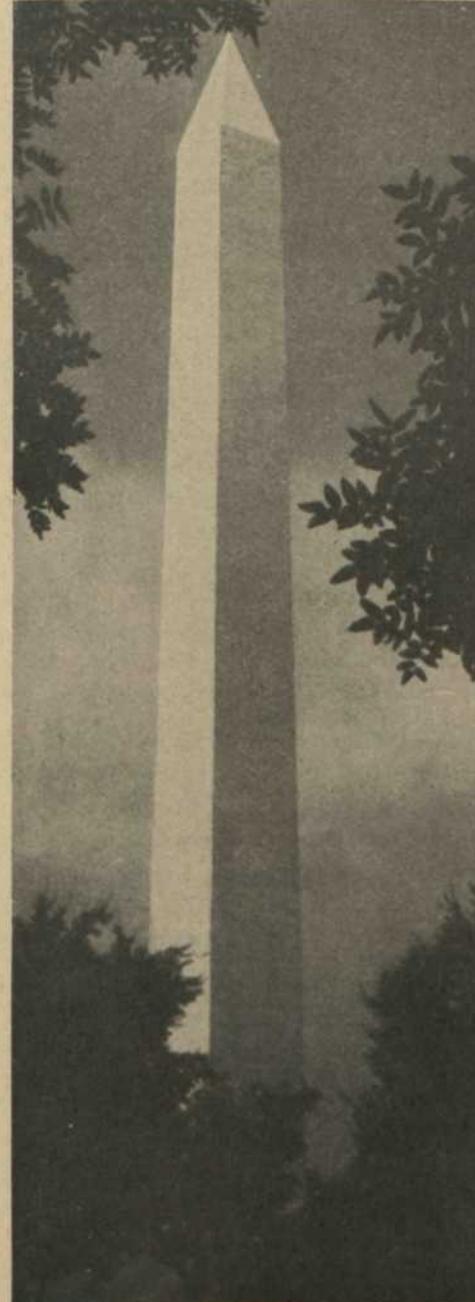
comma in the wrong place. Representative Green, of Iowa, is not satisfied with its placement in the proposed constitutional amendment affecting tax-exempt securities, and proposes to replace it by a semicolon.

Mr. LONDON (N. Y.): Mr. Chairman, I rise in opposition to the amendment proposed by the gentleman from Iowa and ask why a semicolon is grammatical and a comma is not.

Mr. GREEN: Where there are main divisions in the paragraph and some smaller divisions, the smaller divisions are separated by a comma and the main divisions should be separated by a semicolon.

Mr. LONDON: I think it is bad grammar. . . . Now the entire section contains one sentence, and there is only one subject and only one predicate, and a semicolon cannot split up a sentence. I object to bad grammar. The amendment is bad enough, but why the grammar?

After a matter of an hour's discussion on this fine point, Mr. Humphreys (Miss.) proposed leaving out both comma and semicolon.



Herein Is Shown  
How Much  
Weight a States-  
man Attacheth  
to One Small  
Comma

# The Eleventh Annual Meeting of the

THE COMING ANNUAL MEETING of the Chamber of Commerce of the United States in New York, May 7th to 10th, will not only bring together the largest attendance ever had at such a meeting, but also excite among business men a degree of interest greater than that in any other business man's session held since the days of the war. This is because the discussion is to centralize about what is recognized as the most critical and important question affecting American business and American prosperity at present—the question of transportation.

The only other matter which could possibly measure up to the transportation question is the European situation which in its effect upon American business was the keynote subject of the annual meeting last year. It will not be neglected this year as it is planned to devote one session to it, making use of those officials of the National and International Chambers who will have shortly before returned from the meeting of the International Chamber, held in Rome March 19 to 26.

CONSIDERABLE PUBLICITY has been given to the fact that the National Chamber has undertaken a careful study of the existing transportation problem in all its phases with a view to bringing forward, before Congress meets again, constructive suggestions for the solution of the problems. A Transportation Conference is being set up, which will give representation not only to business men and shippers but also to the railroads, the advocates of waterway traffic, of highway traffic, and representatives of agriculture and of labor. Five special committees, which in addition to dealing with the waterway and highway fields will take up the subjects of government regulation, railway rate structure, and consolidation of railroads are now in formation and are being provided with proper expert staffs. They will report to a general committee representative of all interests. By the time the Annual Meeting is held the investigations will have advanced to a point where important announcements of progress can be submitted.

For the general sessions held on Tuesday and Wednesday morning, Thursday morning and afternoon, and Tuesday and Thursday evenings the most prominent authorities of the country upon transportation questions will be secured, including at least one representative from the President's Cabinet. President Barnes will himself open the subject of discussion in his annual address.

IN THE FIELD OF GOVERNMENT relations to transportation the subject of regulation will be reviewed in all its phases. This question will be considered from the standpoint of its effect in hampering that initiative so necessary to transportation; the development of the necessary constructive as well as restrictive features of government control will be taken up, and attention will be given to the agencies exercising regulation in one form or another.

Consolidation of railway systems is looked to by many as the most promising of all the remedies proposed for existing conditions, and under the Transportation Act of 1920 the Interstate Commerce Commission is charged with the duty of drawing up a plan upon the basis of which it will in the future approve applications for consolidations of different lines. While it is easy to see certain advantages rising out of a comparatively small number of railroad systems of approximately equal strength as compared with the present large number of both weak and strong, there are many difficulties in the way of solution besides the obvious objection that will be raised to profitable lines absorbing unprofitable ones.

SECRETARY HOOVER appeared before the Interstate Commerce Commission a year ago advocating a plan of reduction and increase of specific rates rather than a flat percentage method, holding that by this system certain much-needed reductions could be made without impairing the aggregate return to the railroads. This proposal is to be thoroughly analyzed with a view to the effect it would have upon the transportation of the commodities involved and upon the trade of the country as a whole.

Attention will be given by a prominent speaker to what would be involved in government operation, not only as it would affect the railroads and railroad service but also the government service itself.

THE ANNUAL MEETING will be made to serve the very valuable purpose of interesting the thousands of delegates and through publication the public at large in these various problems and the different methods discussed for their solution, so that when the Transportation Conference itself has arrived at its conclusions and submits them for approval and support the most intelligent business and public judgment can be brought to bear upon them.

New York City

# United States Chamber of Commerce

## THE PROGRAM

### Monday, May 7

10.00 a. m. Meetings of National Councillors, in two groups.  
 2.00 p. m. Meeting of National Councillors to act as nominating committee.  
 9.00 p. m. Reception and smoker to National Councillors and officers and directors, by the New York general committee.

### Tuesday, May 8

11.00 a. m. General meeting. President's address.  
 1.00 p. m. Luncheons and Meetings of the following groups: Civic Development, Domestic Distribution, Fabricated Production, Finance, Transportation and Communication.  
 8.00 p. m. General Meeting—Topic: "European Conditions from the American Viewpoint."

### Wednesday, May 9

10.00 a. m. General meeting. Topic: "Developing a National System of Rail, Water and Highway Transportation." Consideration of Resolutions.  
 1.00 p. m. Luncheons and Meetings of the following groups: Foreign Commerce, Insurance, Natural Resources Production, Transportation and Communication.  
 6.00 p. m. Dinner of the National Association of Commercial Organization Secretaries.  
 6.00 p. m. Dinner of the American Trade Association Executives.  
 8.00 p. m. Representatives and members will be guests of the New York committee at the Hippodrome.

### Thursday, May 10

10.00 a. m. General Meeting. Topics: "The Farmers' Interest in Transportation," "Financial Support for the Railroad," and "The Re-establishment of Railroad Credit."  
 2.30 p. m. General Meeting. Topic: "Railroads and the Government." Report of the committee on the nomination and election of officers and directors. Final action on Resolutions.  
 8.30 p. m. General meeting at the Hippodrome, to be addressed by an outstanding leader of world affairs.

### Friday, May 11

10.00 a. m. Trip to West Point and return.

## ENTERTAINMENT FEATURES

**B**USINESS MEN and their wives who attend the eleventh annual meeting of the Chamber of Commerce of the United States in New York May 7 to 10, will find something new in store for them in the way of hospitality. A special committee, made up of about two hundred of New York's leading business men, have charge of making all the entertainment plans. A. C. Bedford, chairman of the Board of the Standard Oil Company of New Jersey, is chairman of the committee, which is known as the New York General Reception Committee.

A plan of entertainment has been worked out so that while the delegates are attending to the business of the convention their wives will be equally as busy with a diversified program of theatre parties, shopping tours, fashion shows and other social functions.

While the executive officers and directors of the National Chamber together with the National Councillors are gathered at a supper and smoker on the first night of the annual meeting, their wives will be guests of the New York Committee at a theatre party. That is only a starter, however, and on May 9 the Committee has planned a tea and fashion show, probably at the Plaza, in which several hundred manikins will participate.

Later in the day the ladies will make a tour of some of New York's exclusive shops, under the direction of guides furnished by the Committee. In the evening a special

performance at the Hippodrome with leading theatrical stars from Broadway taking part will bring together all visitors to the annual meeting.

The next day, Thursday, has been left free by the reception committee, but on Thursday night there will be again an opportunity for the women visitors to elect the show they prefer to see among half a dozen of the city theatres, each to her taste and with the benefit of reception committee advice.

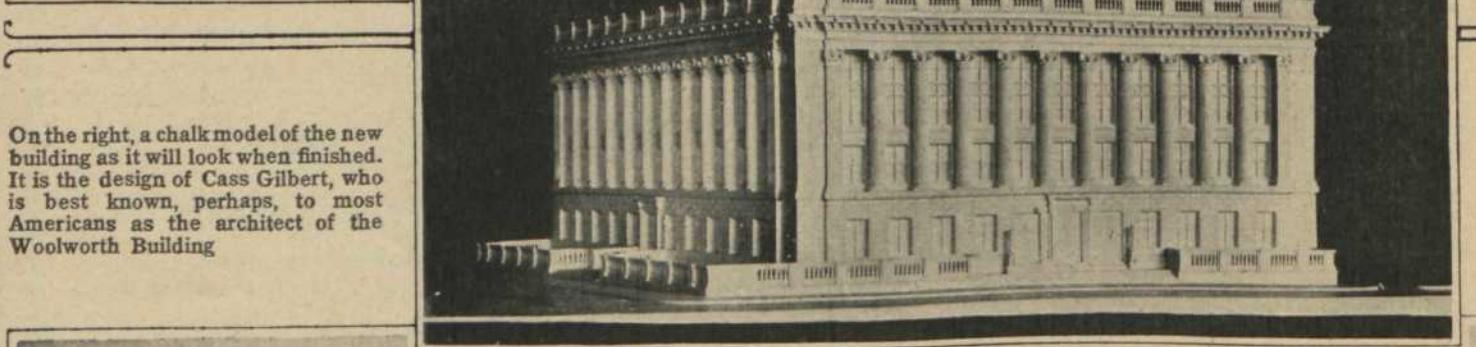
The final day of entertainment, Friday, will be given over to a river trip up the Hudson to historic West Point. Army folks at the Point are cooperating to make the day memorable for the visitors. The cadets upon whom Uncle Sam relies to furnish the generals of the future will snap through a complete demonstration of the drills and exercises that fit them for their calling, and officers from the Commandant's staff will be assigned to guide the visitors about the old grounds and buildings.

The trip up the river from New York will be made on the big steamship Washington Irving, chartered by the New York committee for the purpose. She can carry 5,600 passengers comfortably and there will be room for all. Luncheon will be served on the vessel and with that and the ship's band and the storied reaches of the Hudson unfolding on either side, the West Point trip promises to give the visitors a final touch of New York hospitality.

**May 7, 8, 9, 10, 11, 1923**



At the left, the site of the new home of the Chamber of Commerce of the United States as it looked "stripped for action" less than four months ago. Here once stood the home of Daniel Webster. Across the street is LaFayette Park, on which fronts the White House, the Treasury and the State, War and Navy Buildings



The picture just above, taken the 10th of March, shows how rapidly the Chamber's new home is springing into life. Already the steel skeleton is taking shape. The building when completed—and how rapid its progress is can be seen by comparing

the pictures at the top and the bottom—will have cost two and a half millions. The funds for its construction have been raised from individual business men and from organizations of business men throughout the country

# Wet and Dry from a New Angle

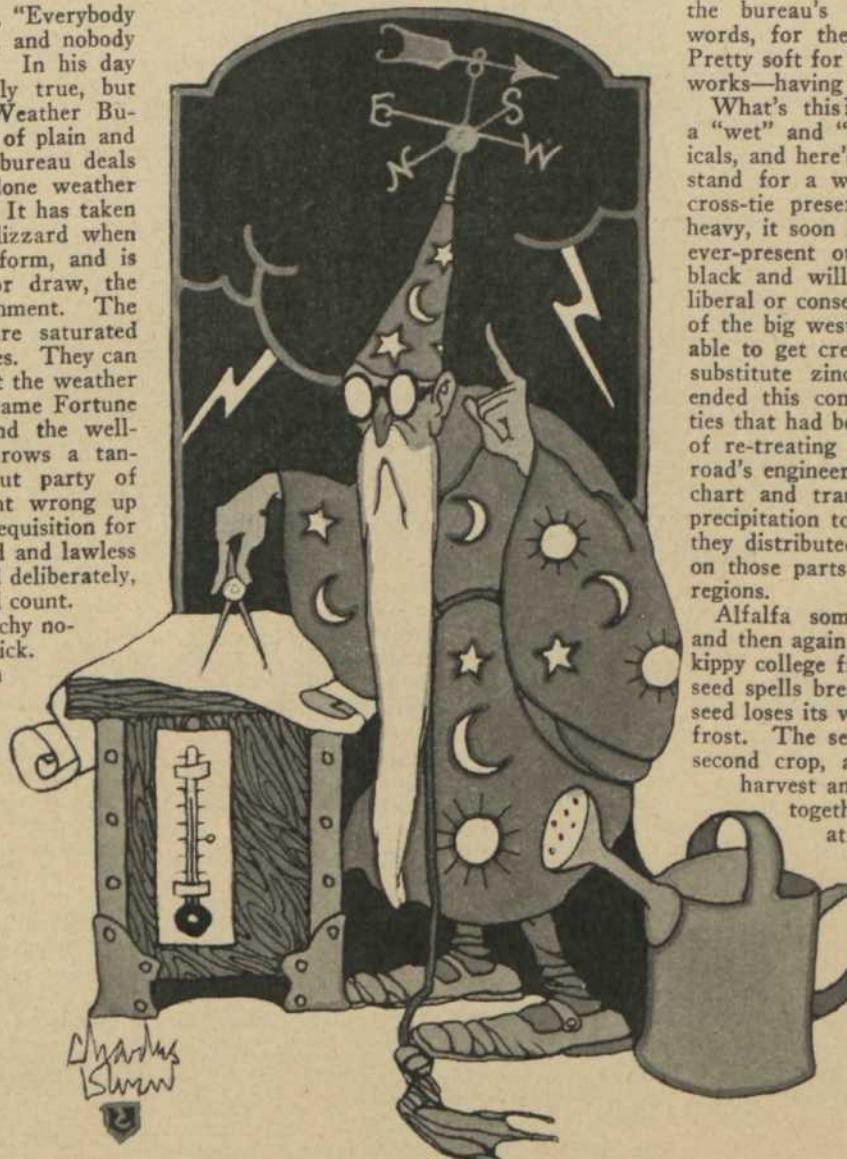
## by Raymond Willoughby

MARK TWAIN once said, "Everybody talks about the weather, and nobody does anything about it." In his day and generation that was mainly true, but since 1891 the United States Weather Bureau has been doing a good job of plain and fancy weather observing. The bureau deals with rare, medium, and well-done weather in odd lots and assorted sizes. It has taken on Battling Boreas and Kid Blizzard when they were at the top of their form, and is still in the ring. Win, lose or draw, the bureau is a glutton for punishment. The boys at the weather works are saturated with records of past performances. They can pass out a pretty hot tip on what the weather is likely to do, but sometimes Dame Fortune kicks over the dope bucket and the well-known weather straightway throws a tantrum. Witness the coming-out party of President Taft—something went wrong up Medicine Hat way; the official requisition for balmy breezes drew down a loud and lawless snowstorm. To put it fairly and deliberately, Washington went down to a full count.

Most people have a very sketchy notion of what makes the weather tick. They can visualize the long arm of the Weather Bureau in the "fair and warmer" or "probably showers today" that finds place on the front pages of their hometown newspapers, but they do not assay very high to the ton in knowledge of the bureau's specialized reports, warnings, and research work. Nearly every community has its local observer who collects and calibrates samples of local weather for the use of the headquarters staff at Washington. The fellow townsmen of this local weather-smith may have seen him peering and poking into evil-looking contrivances of glass and metal, and may have wondered betimes what became of all the weather—who and where are the ultimate consumers. As was said on Baker Street, "What do you make of that, Watson?" How easily the plot—and the weather—can thicken.

The weather will not stay put—no chunk of fame is to be sliced off by bursting into one of those scenes in which a cross marks the spot where the body was found. No; the weather is deep stuff. The best bet is to try to dredge up a clue from the papers in the case.

Ho, Moe, to the Weather Bureau! So this is the Weather Bureau—well, well—and its files are on parade. Look, here's a record of the bureau's help to bankers: right on the first page is a request from a Federal Reserve Bank in a middle western city; the bank wanted climatological reports on certain sections in another state; it was interested in the effect of local weather on crops; it could afford to make loans if the rainfall were satisfactory and if other conditions favored good yields. The bureau came through with the desired information.



"Have you any No. 1 hog-killing weather on tap?" wrote a man down south. "Sure," answered the bureau, and then picked out a propitious period for him—he feared a warm spell might spoil the meat. A full portion of frost was consigned to him, so the record reads.

Rain takes the gimp out of raisins—when they are drying. The California growers are always keyed up for the first sign of rain, and the Weather Bureau is on its toes to beat the rain to the growers. The warnings are spread throughout the valleys by telephone and telegraph—everybody goes into action, and there is no rest for the wicked or the weary until the trays of raisins are stacked and covered. Then it is that the little raisins probably decide on what they will be when they grow up and go out into the great world of men.

"Can you guarantee me good light 50 per cent of the time?" telegraphed a motion-picture director who was seeking a suitable studio in the east. "Go to it," came back

the bureau's reply—not exactly in those words, for the bureau said it with figures. Pretty soft for the boys down at the weather works—having that drag with the sun.

What's this? The bureau says there is a "wet" and "dry" lineup among the chemicals, and here's how. Zinc chloride will not stand for a wet climate, and if used as a cross-tie preservative where the rainfall is heavy, it soon leaches out. Creosote, on the ever-present other hand, is a sort of fast black and will not run for any rain, be it liberal or conservative. During the war, one of the big western railroad systems was unable to get creosote for its ties, and had to substitute zinc chloride. When the war ended this company had on hand 2,500,000 ties that had been treated with zinc. Instead of re-treating them with creosote, the railroad's engineers obtained a Weather Bureau chart and transferred the lines of average precipitation to a map of the system. Then they distributed the zinc-treated ties for use on those parts of the road in relatively dry regions.

Alfalfa sometimes spells stage whiskers, and then again it has the ring of one of those kippy college fraternities, but in Utah alfalfa seed spells bread and butter. The maturing seed loses its vim and vigor when touched by frost. The seed is largely grown from the second crop, and if the season is late the harvest and fall frost periods come close together. As the seed crop increases at the rate of about \$5 a day, for each acre of seed when nearing maturity, the growers let the seed stand as long as possible. When temperatures low enough to cause damage are predicted by the Weather Bureau it is not unusual for the seed growers to run their cutting machines most of the night. In one part of Utah, during a recent harvest season, fully 500 acres of seed were cut after

receipt of the warnings, at an average saving of \$20 to \$30 an acre. Two of the growers in this section reported that they saved at least \$2,000 each as a result of the frost warning sent out by the Weather Bureau.

Avast there, mates! The good ship *Wyan-dotte* went aground Sunday morning, September 24, 1922, near the mouth of Thunder Bay River on Lake Michigan. Like as not the lady pressed her curiosity too far. Two asthmatic harbor tugs wheezed busily about her to no purpose. The coy old girl would not budge. "Dang my scuppers," piped one of the officers, "I know what'll fetch her; let's find out the next high water time from the Alpena station of the Weather Bureau—then she'll float off. They did and she did.

Fruit orchards in New York State have been beset by battalions of bugs. The Weather Bureau marshaled its forecasting machinery and gave the growers the right range on the bug bandits. Time and again, the pesky pests have been turned back with salvos from the farmers' spray guns, the

Weather Bureau spotting the targets with a system of telephone relays. County extension agents were in strategic positions to help rout the enemy.

The weather has in it much of the pure cussedness of the old-time circus shell game—"Now you see it, and now you don't!" It may be a light-fingered phantom fluttering around you with no visible wear and tear on your system, just like ghosts scuffling in a fog; or it may playfully fall on your neck with the impact of a lump of very hard coal. For the folk who cannot see the weather coming their way, the bureau has rigged up a radio service. On the Great Lakes, vessels are not only warned off the lakes because of approaching storms, but they are also tipped off when it is safe to proceed and what route to take to avoid heavy seas and adverse currents. These radio flashes have saved the shipping interests many thousands of dollars.

#### A Roughneck, Books Show

THE weather has a bad record on the books of many railroad companies. The bureau has done its best to wean the weather from its waywardness, but the weather does not give a hoot for party manners; it is a roughneck. Even a doting parent would be bound to warn the neighbors to take to the dugouts when his perverse progeny showed signs of wrecking the old home, and it may be that is the way the bureau feels about it. The weather is just full of tricks—an ice storm or a thunderstorm when feeling fit can put an electric line flat on its back—that's the trouble with the big tramp. You may think the weather is only sparring for points, when bam! it lets go a wallop that puts old public utility down for the full count. Weather Bureau announcements are big news where perishables are on the move. The shameless shimmying of the mercury plays hob with fruits, eggs, vegetables, meats, fish and oysters, and shippers keep a weatherwise eye peeled for extremes of heat or cold.

Storm warnings in the rice-growing regions are signals for all hands to flood the fields—the water blanket prevents the straw from being broken by the winds. A storm warning is bad news, and it travels fast. After a storm has been predicted, agents for marine insurance companies keep their signs out, but they don't mean anything—well, hardly anything. Fishermen look to their boats and nets; lumbermen have a care for the logs cast upon the waters. Vessels at lake ports hurry their loading to beat the heavy handicap of offshore winds.

Dwellers in river regions and in lowlands subject to floods depend on the Weather Bureau to keep a jump or so ahead of any dangerous rise in the water levels. When a flood warning goes out, cattle are driven from the bottom lands and crops are cut, if possible, before the high water reaches the threatened district. Cities with river fronts may have warehouses in the high-water zone. The Weather Bureau watches the river stages so closely that it can tell whether the flood crest will be above or below the point at which the warehouse stock would be imperiled, thereby often avoiding the needless expense of transferring goods which would be in no peril. Timber can be cut farther into the back country, for the logs can be floated from a wider area. Coal barges poke their blunt noses into new landings and are unloaded at leisure after the river falls. Some one has to sit up with the locks, dams, and levees to see that the ambitious river does not get out of hand.

A river cannot go on rising and rising forever; it has its spree and then goes into

a decline—it seems to feel rather low in its mind and grovels in its untidy bed. Then comes the low-water stage. Who cares about that? First, the Weather Bureau—it just moves up closer to the bedside of the sinking river and passes out the symptoms to water-power companies so that they can get their auxiliary steam plants in operation. Engineers want to know about low-water stages so that they can plan for dock building, pile driving, dredging, and the repairing of marine structures, operations which are largely carried on during low-water levels.

The quality of the product is affected by slight changes in the temperature and moisture conditions at certain stages in the manufacture of silk, bluing, varnish, oils, cement, lime, bricks, paper, photographic supplies, chocolate candies, and some acids. The Weather Bureau tries to serve the needs of those industries with special forecasts. Grain and cotton brokers lean heavily on the bureau for guidance in their operations. Data of atmospheric pressure are used in tests of boilers, radiators, and automobiles, and in studies of the quantity of fuel required to drive engines under varying atmospheric pressures. Information on the force and direction of winds is useful in fixing the design of buildings which are to be exposed to strong air currents; it is also valuable in determining the surface movement of lake waters in connection with the disposal of city sewage.

"But, kind sir," it may be said, "these consignments of little job lots of weather do not explain where in the nation the climate goes—answer that." Mainly, the climate is cursed in New England and boosted in California, but that is too much of a spread. What happens in between? Time out there, referee. Let the bureau speak for itself:

The miscellaneous climatological data are used in medical and scientific studies of the relation of weather to diseases and other conditions of health, life or human pursuits; by railroad companies in the adjustment of claims of demurrage charges; by homeseekers; by invalids in search of health resorts; by irrigation investigators; by contractors and builders in settling labor accounts; by merchants in studying the relation of the weather to their daily sales; by gas and electric companies in showing their customers the relation of their monthly bills to the varying hours of daylight at different seasons of the year; as adequate testimony in court proceedings; in dry-farming investigations; in studies of soil culture, practical agriculture, and the life and migration of insect pests; in plans for the development of the arid regions; in the preparation of historical records; by bond and investment companies in determining the loan values of farm lands in newly opened countries. . . .

#### Bureau In Role of Daniel

AND so it goes. Space and breath will not hold out against the uses of climate facts. Did you get that line about the bureau sitting in as a Daniel come to judgment? Yea bo, a Daniel. And yet, the old bureau might win a bigger hand as Portia dispensing dainty portions of weather, with an epigram to each and every customer. Anyhow, the legal stuff is down on the books like this:

More than 90 per cent of cases involving the loss of goods in transit, particularly perishables, for which weather conditions may be responsible, are settled without ever coming into court after consultation with the Weather Bureau. When shippers, railroads or steamship lines ask for evidence on weather conditions, the report of the Weather Bureau as to its records of temperature and other conditions along the route in question is usually accepted as final in such disputes.

Now, a squib on the bureau's research work. In aerology, observations are being taken in the upper air by means of kites, captive and free balloons. These observations have been under way for the last eight years. The bureau hopes that its investigations may give more detailed information than now available concerning the general circulation of the free air. Research has also been undertaken in solar radiation with the object of measuring the radiation received at the surface of the earth at different seasons of the year and under different atmospheric conditions. "The importance of solar radiation," says the bureau, "is of fundamental importance to meteorologists, since all atmospheric movements, and in consequence all weather changes, as well as the purely solar climatic variations, are dependent upon the heat received from the sun."

#### Old Earth Has Growing Pains

THE earth occasionally gets a touch of indigestion, or is afflicted with growing pains—something goes wrong with its innards, and the internal disorder is transmitted to the crust. Bad luck that for the hapless householders along the line of march; earthquakes gum up the scenery and spread families all over the lot with no regard for what the neighbors say. An earthquake is a bull movement on that copy book wheeze that there's always room at the top. Can anything be done about it? Yes. The Weather Bureau is now collecting earthquake records from all parts of the United States. It expects to be able to find and map the numerous breaks and weak vertical seams in the earth's crust along which abrupt slipping and sliding (the cause of most earthquakes) most frequently occur, and therefore greatly to reduce earthquake damage by the simple and obvious method of avoiding all dangerous places in locating dams, aqueducts, bridges, houses, and other structures.

Can you feel that air? Not "that air what?" in backwoods lingo, but just plain air. The Weather Bureau was feeling out the air before the days when the frail gliders of Wilbur and Orville Wright fluttered dizzily on the blasts sweeping over the sands of Kill Devil Hill. The Wrights had their base of operations at Manteo, across Albemarle Sound, and their gliders were taken to the North Carolina sand dunes when high winds were in prospect. Old man Drinkwater held down the weather station at Manteo. He knew how to whistle out the wind. When weather conditions promised a brisk breeze, he passed out the good word to the Wrights, whereupon the two brothers blithely hauled out their gliders and took to the air. That was front-page stuff in those pioneer days. The Weather Bureau's interest in aviation is positive and practical. It cooperated actively with the United States Navy in the successful attempt to cross the Atlantic in seaplanes; it supplied the commanders of the planes with statements, based on advance studies, indicating weather conditions during the flight to the Azores.

This brief chronicle of the activities of the Weather Bureau is by no means exhaustive. Cross your fingers when you hear of an exhaustive treatise on the weather. The one point that is worth salting down from this yarn is that the Weather Bureau is doing many useful things about the weather. It has tackled a whale of a job in behalf of the American people and American business, and it is getting away with it in mighty commendable style.

Home, Moe. . . .



# Teaming With the Farmer

A Plain Narrative of Cooperation That Is Breaking Down the Barrier Between Business and Agriculture

By Ernest N. Smith

THE AMERICAN farmer, beset these many months by irritating restrictions upon his marketing, transportation and credit facilities, has perhaps listened too readily to engaging politicians who proclaim to a distressed world their own belief that these restrictions which caused such financial losses were the direct result of a deep-laid plot by "big business" to foreclose a mortgage upon the farmer's prosperity.

The business man, wearied from seeking the way out of industrial and agricultural chaos, saw scant reason for such accusations so easily made and never substantiated. It was he perhaps who, when a delegation waited upon him soliciting a \$5 contribution to help bury a well-known politician, responded with, "Here's \$50, bury ten of them."

Politicians to the contrary, business organizations of the country, almost from the time of their inception, made agricultural matters an important phase of their official activities. Investigation discloses that long before the "farm bloc" was an entity in American politics, and long before business and agriculture suffered and bled together under the business blight of 1921-22, organized business at least had crossed that imaginary line which is commonly supposed to separate agriculture and business and had sought the opportunity to do the essential thing that would contribute to the peace and prosperity of the adjacent agriculturist.

Call this evidence of enlightened selfishness if you will, but it was also evidence of

the business man's belief that the prosperity of his city and his business were inextricably linked up with the prosperity of the farmers in his trade territory. Organized business sought the farmer not to exploit him, but to get close to him that an understanding might be gained of the problems and necessities of the farmer whose prosperity measured the prosperity of the industrial city and whose reverses brought down upon that city the ravages of financial depression.

It has not been easy for the representatives of the "city fellers" to overcome a certain ingrained suspiciousness which a farmer has of a city man who may seem to come bearing gifts, yet the contracts once made were maintained. That fact is significant. Long observation and extensive investigation failed to disclose a single instance in which a chamber of commerce took advantage of the farmers; and the farmer has learned to his delight and profit that the Chamber of Commerce is not represented by "sharers" selling lightning rods but by serious men seeking the way forward to a beneficial understanding and to a mutual prosperity.

There are several hundred chambers of commerce in the United States located in agricultural regions, and the activities of these organizations are almost wholly devoted to agricultural matters, and their record of helpful endeavor would fill this entire magazine.

You might expect that. But you might not expect the chambers of commerce in the

larger cities of the country to spend time and thought and labor and money upon practical agricultural matters. This agricultural work has been going on, however, for a number of years. And it is pleasant to record that the agricultural activity of the business men in these organizations did not resolve itself into the task of coddling the farmer but was devoted to an analysis of the farmer's problems. Business often proposed specific remedies for existing troubles and didn't stop with the advice, but proceeded to cooperate in carrying out the proposed plans, not primarily upon the basis that it would help the farmer or help the business man, but because it would add to the prosperity of the whole district of which the urban and agricultural sections were parts.

Significant of such activity was the offer made three years ago by the Kansas City, Mo., Chamber of Commerce to give \$2,000 in cash prizes to the four Missouri counties replacing the greatest number of scrub bulls with registered bulls. So successful was the campaign that it was renewed for another year, and also duplicated in Kansas. The county first completing its work with 100 per cent pure-bred registered bulls secured first prize. To date 1,760 scrub bulls have been replaced by pure-bred animals in these two states. Cattle sired by registered bulls produce more milk or sell for \$15 to \$20 a head more on the market. Not content with this constructive work, the same organization appropriated \$1,000 more for a "Know Your

Cow Contest," to encourage the introduction of business principles into the average dairy herd by keeping milk production records on individual cows. This resulted in better feeding and better breeding.

The Kansas farmer who settled in California and attended a Kansas picnic in a Los Angeles park hoping to see some old friends is said to have bumped into 10,000 former Kansans. The Kansans were there largely because the Los Angeles Chamber of Commerce never permitted those Kansas farmers to fall into the avaricious maw of the land sharks and, as a result of eventual disappointments, "pull up stakes" and leave "God's country." Not on your life! One of the many things done for the farmer was to appraise the individual parcel of land he desired to purchase, thus insuring him against failure through the purchase of lands unsuited for the industry which he desired to enter. He was also placed in contact with those public cooperative and private institutions affiliated with his crop industry.

And that was not all. If he became a fruit grower, he learned that he must know when to fire his smudge pots to prevent the frost from ruining his crops. A few degrees variation and his crop was a total loss. Thermometers had to be exact, so the Los Angeles Chamber of Commerce installed a department of meteorology and aeronautics and the only thermometer testing station west of Washington, D. C.

Did all that pay the largest city in the west? Population results would seem to justify the statement that the grateful farmer spent his evenings writing to his brother back home and filling his letters with California sunshine and a flock of adjectives, until one day his Kansas brother awoke to discover that his family had purchased one-way tickets for the west, and an auction sale had been advertised on the old home premises.

In Wisconsin, the Milwaukee Chamber of Commerce, cooperating in agricultural ways in a state where cooperatives have nearly reached the peak of perfection, learned that a drought in the west was endangering the existence of the great flocks of sheep which roamed the plains and hills of the mountain states. There was no rain, there was no grass, and there would soon be no sheep. Forthwith a committee of Milwaukee business men journeyed many hundreds of miles and investigated. Soon there came rolling back to Wisconsin carload after carload of starved sheep. They were dumped out to fatten on the cut-over lands of Northern Wisconsin, where the grass was sweet

and plentiful. The sheep were saved. Unfortunately the market dropped about that time, which prevented this constructive work being brought to a highly successful conclusion.

The governors of New England states recently called a conference at which was discussed coordination between agriculture and industry, and in a committee report appears this significant statement:

If ever there was a time when New England thought that it could neglect its agriculture for the development of its industry, that time has passed, at least so far as her more enlightened leaders are concerned, and it is now equally

in connection with the milk problem of New England. Under the leadership of the late Theodore N. Vail, the committee, after extensive investigations, not only issued a series of reports which won recognition throughout the country but broke up the plan under which milk shipments were made only in carload lots from many points which prevented small operators from competing with larger established companies.

More recently this committee acted as an intermediary between the agricultural interests of New England and the city of Boston and issued a series of carefully itemized schedules to show exactly what kinds of products were handled by Boston firms to enable county agents and farmers to know where to send farm products.

It may not at first blush seem possible to prove that a sharp drop in corn in Iowa caused Villa, of Mexican fame, to come into honest possession of a \$3,000 bull, along with other things, but it actually happened, and to the benefit of Pancho and the Iowa farmers.

The Iowa State Chamber of Commerce some time ago awoke suddenly to the fact that corn prices had dropped almost out of view. The only salvation in sight, in the absence of Billy Sunday, was spring lambs, but there were no spring lambs and there was no credit. It looked as though the state had been sunk without a trace. About this time the business men in this state organization learned two things of more than passing interest. The first was that Northern Mexico was denuded of live stock, and the second was that there was to be a live-stock show in the city of Mexico. In 1921 three carloads of Iowa cattle, hogs and poultry appeared at the show, chaperoned by the Iowa State Chamber of Commerce. Villa, if we may now release what has hitherto been a state secret, had killed off all the cattle in Northern Mexico and exchanged the hides for ammunition.

To celebrate his return to pastoral pursuits he

bought a \$3,000 Iowa bull and some high-grade cattle.

Soon afterwards Mexican officials appeared in Iowa and bought foundation cattle stock for sixteen agricultural schools. Times still being bad in Iowa, 11,000 breeders were circularized, and about 80 per cent responded by special delivery, by wire, long-distance telephone, and aeroplane. It looked as though the state were for sale and could be delivered at once. As a result of further activity hundreds of thousands of dollars' worth of animals were sold in Mexico. The end is not yet, but the business men of Iowa had



From a painting done especially for *Nation's Business* by Jerry Forsterworth.

The man with the hoe yields place to the man with machinery

the concern of the business man and the farmer that each shall develop his own industry to the highest degree possible. . . . We therefore urge that chambers of commerce and similar bodies throughout New England be urged to appoint strong agricultural committees, and that they cooperate with farm bureaus, county agents, and other agricultural agencies for the development of closer relationships between farmers and business men in their localities.

For the past decade or more the Boston Chamber of Commerce has had a functioning agricultural committee. Perhaps the most notable single piece of work carried out was

done the essential thing for the farmer by developing a new asset.

Erie County, New York, had no farm agent several years ago, and farmers appealed to the Buffalo Chamber of Commerce for help. This organization not only secured the agent but provided an office, helped out with the clerical assistance required, put up its own money to develop the bureau, and eventually got the Board of Supervisors to give the farm bureau permanent financial assistance.

The Chamber of Commerce at Portland, Maine, recently introduced a new agricultural activity by entertaining the members of the Boys' and Girls' Agricultural Clubs from various parts of Maine. Exhibits were also made showing the children's work, and this annual event has developed an unusual feeling of friendliness on the part of the farmers for the city. In addition, apple and poultry shows were developed and largely sustained by the Chamber of Commerce, which also caused to be organized a curbed public market which gave the farmer a direct outlet for a large part of his products.

### Marketing a Bumper Crop

NEBRASKA farmers produced an enormous crop of excellent potatoes in 1922, whereupon the market stagnated and the farmers were confronted with heavy losses. At this point the Omaha Chamber of Commerce Agricultural Committee, headed by Carl R. Gray, president of the Union Pacific Railroad, came forward with a "Buy Potatoes" campaign which included covering the state with posters urging every family to buy 5 to 10 bushels of potatoes immediately, thus moving the crop and bringing better times to that section of the west. Prizes to Boys' and Girls' Agricultural Clubs in Nebraska and personal visits by the thirty members of the Agricultural Committee to many farm sections of the state were constructive activities which closely bound together Omaha and her surrounding agricultural territory.

New Orleans milk consumption per capita was low. The Association of Commerce joined in a "Milk-for-Health" campaign that so increased the milk consumption, particularly among children, that available milk supplies were exhausted and additional sources of supply had to be developed. This association also did much to standardize grades and packages of produce, which activity was of great help to the farmers in Louisiana and Mississippi.

Many organizations give prizes to Boys' and Girls' Clubs, but in Washington the Spokane Chamber of Commerce Agricultural Bureau induced the Spokane Clearing House to finance farm children in live-stock club work, and these loans totaled \$5,000. Jersey calves, through the efforts of this committee, were distributed free in the cut-over land districts, and apple and potato growers' conferences and exhibits have been a yearly activity for this organization.

In Atlanta, Ga., the retail merchants opposed the establishment of a green market house. The Chamber of Commerce, however, took the farmers' side and appointed a committee to see to the erection of a \$150,000 market upon a block of property leased from the city at a rental of \$100 a year. The Georgia Association, which is the State Chamber of Commerce, is now engaged in getting the smaller banks in the state to purchase incubators and then finance each small farmer in buying forty high-grade chickens and in getting pigs and milk cows. Efforts are likewise being made to form co-

operative associations in each county in Georgia.

Some of the most remarkable cooperative work in the United States is being carried out by the Development Service Bureau of the St. Louis Chamber of Commerce, which has kept representatives in the trade territory carrying out a long-time program of helpfulness based upon the firm conviction that a city cannot be greater than the territory surrounding it, and that the interdependence of town and county has not been fully understood. The results have been astonishing and profitable to both sides, and work similar to that developed by this bureau has saved the prosperity of a whole state.

The story of Arkansas is worth telling. In 1914 cotton dropped to six cents when twelve cents had been expected. Almost overnight the state went broke. A hundred Arkansas bankers were called together at the Little Rock Chamber of Commerce, and an analysis of the situation showed that the bankers' activities were largely limited to loans on cotton, and that the merchants knew how to sell only on cotton credit; that cotton crops for forty years had robbed the fertility of the soil, and a large acreage had not been producing of late one-half of what it originally produced. But what brought the business men up short was the knowledge gleaned after investigation that some \$80,000,000 a year was sent outside the state for foodstuffs that should have been raised on Arkansas farms.

"Let Arkansas feed herself," became the slogan. A campaign was started. At the end of the next year government experts figured that Arkansas raised over \$35,000,000 more food and feed and raised as much cotton as had ever been raised in the history of the state. As Carl Baer, of the St. Louis Chamber of Commerce, summed up the situation, "We have now turned to feeding ourselves in the south and to raising the old cash cotton crop as a cash surplus; this cash surplus is giving us an opportunity to send our boys and girls to school."

Memphis, boasting the distinction of being the first city in which a successful farm bureau was independently sponsored by the Chamber of Commerce, raises \$25,000 annually by business interests exclusively, and this money is expended upon the activities of their farm bureau. Besides a director, the bureau has market, poultry and horticul-

tural specialists. This bureau works through and with county agricultural agents, branch experiment stations, and farmers' organizations, and attacks its problems in the interest of the whole population. The bureau, finding, for instance, that the greater part of the milk and butter supply came from northern states, worked out a campaign in connection with the above named agencies that raised the monthly local receipts of butter fat from 3,000 pounds to 120,000 pounds in a period of three years.

In four years poultry receipts jumped 400 per cent as a result of a campaign among farmers for increased poultry production. Memphis had no wholesale or retail farmers' market four years ago, and fresh vegetables came from southern states. A market was first established to furnish an outlet, after which a campaign was launched to induce vegetable growing. Now, at the wholesale and retail market the farmers dispose of approximately \$40,000 worth of fresh vegetables a month during the season. Market quotations are furnished daily by radio, a daily and weekly news service is maintained, together with a weekly "exchange list."

### Texas Has Constructive Programs

FOR thirty years the Chamber of Commerce at San Antonio, Tex., has carried out a constructive agricultural program. In recent years it assisted in the development of the dairy and hog industry, arranged loan plans and contracted for thousands of acres of land for war crops and subcontracted to farmers. Today this organization contributes \$6,000 a year to an \$11,000 budget for promoting agricultural work in adjoining territory. Equally constructive is the work of the Dallas Chamber of Commerce, with four paid technical workers in its agricultural department. Men's, women's and children's farm clubs have been organized and taught sewing, canning, home beautification, etc. Community shows have demonstrated farm work, and thirty terracing demonstrations for an average of 30 acres per demonstration showed that terracing was worth from \$12 to \$15 an acre in the way of conserving moisture and preventing erosion.

And so the story runs. Commercial organizations in such large cities as New York, Dallas, San Antonio, Chicago, Nashville, Toledo, Birmingham, Atlanta, San Francisco, all these and many more, have behind them a wholesome record of agricultural activity, dating back in some instances ten or more years. The record is so voluminous that in a single article one may merely sketch the outstanding achievements in a selected list of cities.

One finds in the story of the agricultural achievements of commercial organizations no common attempt to bring the farmer into line with any prearranged plan of business. Investigation does show, however, an increasing appreciation upon the part of business of the farmer's problem and an ever-present desire to help, which is shown in repeated attacks on agricultural problems most needing solution in each district and the carrying of the work through to a successful conclusion.

Out of a common distress there has developed a common effort, and out of that effort has come a better understanding between two groups of citizens that in the past have been too far apart. Through organization there has been developed such constructive measures as have been briefly indicated in this article. In the face of such efforts and such results the cry of the self-seeking politician who would set class against class becomes as potent as a whimper.

## Buy Potatoes Now

The farmers of Nebraska and neighboring states have produced an enormous crop of potatoes this year.

You can save money by laying in your winter's supply now. If every family in every city and town of this region will immediately buy five or ten bushels of potatoes it will move the farmers' crop and benefit everyone by bringing better times to this section of the West.

Farming is the basic industry of this region-when the farmers prosper we all prosper. Help yourself by co-operating with the farmers.

### BUY POTATOES NOW

Buy potatoes grown in this territory.  
Buy bushels instead of pecks and save money.

Immediate Action Is Needed



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## Defining the Labor Board's Powers

THE RAILROAD LABOR BOARD, the Supreme Court said in February, acts as a board of arbitration, and its decisions are not compulsory upon the railroads or their employees appearing in a case before it. For that reason, the court decided, the rulings of the board as to how representatives of employees are to be selected do not impair any constitutional rights of a railroad to deal with its individual employees. A railroad is free to disregard such a ruling, or any other ruling of the board.

The portion of the Transportation Act under which the board exists the court interpreted as meaning that

Congress deems it of the highest public interest to prevent the interruption of interstate commerce by labor disputes and strikes and that its plan is to encourage settlement without strikes, first by conference between the parties; failing that, by reference to adjustment boards of the parties' own choosing and, if that is ineffective, by a full hearing before a national board appointed by the President, upon which are an equal number of representatives of the carrier group, the labor group, and the public.

The decisions of the Labor Board are not to be enforced by process. The only sanction of its decision is to be the force of public opinion invoked by the fairness of a full hearing, the intrinsic justice of the conclusion, strengthened by the official prestige of the board, and a full publication of the violation of such decision by any party to the proceeding.

The evident thought of Congress in these provisions is that the economic interest of every member of the public in the undisturbed flow of interstate commerce, and the acute inconvenience to which all must be subjected by an interruption caused by a serious and widespread labor dispute, fastens public attention closely on all circumstances of the controversy and arouses public criticism of the side thought to be at fault. The function of the Labor Board is to direct that public criticism against the party who, it thinks, justly deserves it.

The general attitude of the Supreme Court was, "It is not for this or any other court to pass upon the correctness of the conclusions of the Labor Board if it keeps within the jurisdiction thus assigned to it by the statute."

## Three Cents a Mile? Listen!

ONE CENT for 37 miles is a pretty low rate for passenger travel by railroad, and first class at that. Such a rate would probably satisfy most folk who have thought our railroad rates could be improved by a process of reduction.

But the rate of one cent for 37 miles of travel did not represent a reduction; it was an increased rate. The fare had earlier been lower.

Such are the topsy-turvy results of the course of the German mark. For the Germans, the increase of rates on February 1 was a very real thing. It was an increase of 100 per cent. Only a person whose capital was in American money, and who was thus in a position to take advantage of the condition of exchange, could obtain his railroad ticket at a rate of one cent for a ride of an hour or two.

## Britain Talks Farm Loans Also

FARMERS and their difficulties occupy as much attention in some other countries as in the United States, for depression in agriculture has not been limited to any one country.

After debates in Parliament, a Committee on Agricultural Credit was appointed in England. To a degree there was a special situation there, because of inducements which had been given to farmers to increase their land in tillage during the war.

At the time our new legislation for short-time agricultural credits was going through its last stages in Congress, this British committee reported. For those farmers who bought land while the British legislation to promote agricultural production was in force, the committee recommends loans from an organization supported by the government to the extent of 75 per cent of the present value of lands and repayable over a period of forty years.

At the same time there is recommendation of provision for short-time credit for all British farmers, through the formation of agricultural credit cooperative societies, with the government supplying one pound sterling of capital for each pound supplied by such a society. The societies would have complete discretion as to the loans they would make, being subject to governmental approval only as to the rates of interest they would charge.

These proposals have been adopted by the British Cabinet. Whether or not they will put an end to discussion in England remains to be seen. Proposals which have been made in public discussion have taken a wide range.

## France, Too, Has Traffic Problems

THE CODE DE LA ROUTE, recently put into force, will have to be studied by Americans who aspire to drive automobiles in France. Being very comprehensive, it undertakes to regulate pedestrians and stray animals on the highways, as well as automobiles, but it has automobiles expressly in view. Persons under 18 years of age cannot obtain drivers' permits, except for motorcycles. Every automobile must be equipped with a "sound-muffling system, and the system must be used in agglomerations and at intersections."

## May Make Trade Association Law

THE LINSEED CASE is apparently getting along to the point where it will be argued before the Supreme Court. The Department of Justice and the lawyers representing the defendants are understood to be writing their briefs.

It will be recalled that in this case the lower federal court at Chicago held that the open-price plan used by an association of manufacturers did not violate the anti-trust acts but, on the contrary, promoted the public interest. Shortly afterward, the Supreme Court decided the so-called Hardwood case in which it held that the open-price plan used by an association in another industry was illegal.

A rehearing of the Hardwood case was refused by the Supreme Court. It now remains to be seen whether or not, in deciding the Linseed case, the Supreme Court will in any way depart from the position it took in the Hardwood case or shed any new light upon the whole matter.

## Prices Wouldn't Wait on the Inquiry

COTTON did not stay put, fortunately, between the time the Senate last year directed the Federal Trade Commission to report on the causes of its decline in price and the end of February, 1923, when the commission was ready to respond. In the interval the price moved up considerably. The commission's conclusion was that,

While it does not appear that cotton prices, compared with the general level of prices, are depressed at the present time, it is evident that this does not mean that, therefore, cotton prices are at a level which affords a compensation to the grower, which justifies such an extensive use of land and labor in its production.

Some discussion of the causes underlying the rise in the price of cotton might have been more timely for the com-

mission than a review of a course of events which may not be repeated in a long time. The figures of the Department of Agriculture suggest a world shortage, perhaps not merely of a temporary nature but of some duration.

Some of our foreign customers for cotton are apparently convinced that, in the face of our obstacles in the form of the boll weevil, they will have to look elsewhere for supplies, and in England enterprises of size are already under way for producing cotton in the Soudan and elsewhere, with subsidies obtained from contributions by the government and British spinners and the possibility of tax upon all British spinners. Cotton is certainly a big subject, and an important one.

### Witch Finding by the F. T. C.

**FERTILIZERS** were a subject for investigation by the Federal Trade Commission, which was directed by the Senate to ascertain whether or not there is a fertilizer trust.

The response to this question, made by the commission on March 4, is somewhat ambiguous, at least in the summary, which is the only part yet available. Neither does the commission make very plain whether it believes there has been an unlawful conspiracy in this industry.

It talks about an increasing proportion of the business done by some of the large companies, says that all companies, big and small, attempted to follow the price lists of large concerns, turns aside to mention with pleasure the extent of cooperative buying of fertilizers on the part of farmers, and discusses the desirability of legislation to help southern tenant farmers to obtain the credit they need for their operations.

The commission may be getting into the bailiwick of the Department of Agriculture. However that may be, it is lucky it is not under cross-examination on the witness stand and liable to being brought back to the question at issue and required to answer "yes" or "no." As it is, the commission neither affirms nor denies. Without committing itself either way, it recites circumstances which might or might not evidence an unlawful conspiracy to influence prices.

Possibly, the commission itself was pretty much in the dark as to the characterization of these circumstances. According to its allegations, all fertilizer manufacturers in each of the two important sections of the country followed the price list of a leading manufacturer. But the commission has to record that this state of affairs did not last long. The fall in prices for agricultural products reduced the farmers' ability to buy fertilizers. The fertilizer manufacturers are like other folk in having to get in some money, and they had to reduce prices to move their merchandise, each one apparently acting on his own judgment.

In the fall of 1922 they again tried to get back to higher prices, the commission says, but once more they had to cut prices, as much as one-third and sometimes to an even greater amount to get cash; for it is to be recalled that fertilizer manufacturers extend credit to farmers, that in 1921 they had to carry over many of these accounts for another year, and cash was to many of these manufacturers as precious a thing as to concerns in some other industries hard hit by the depression.

### The Tax-gatherer, Even to the 19th Hole!

**COUNTRY CLUBS**, tennis clubs, curling clubs and other institutions have now been provided with a catechism on the taxes that are payable to the United States Treasury in connection with the dues of their members. "Green" fees charged for guests, fines for members who smash rules about care of the turf and other matters, payments which entitle a member's family to club privileges, and a lot of other matters which are calculated to cause worry to institutions intended for relaxation are discussed with examples in a set of rulings issued on February 12.

About these taxes there is something almost mean. They wait mockingly on the golf course or the tennis court for the business man, who, distraught at his office with the intricacies of the income tax, seeks respite outdoors.

### Business Sense and Government Methods

**L**EAL TENDER has more than once become a subject for heated controversy. It has now appeared, too, in the realm of international discussion, through action of the Serbs-Croats-Slovenes government. A law has been enacted by that Central European country decreeing that pre-war debts may be liquidated at the rate of 26 of the domestic dinars to the British pound sterling.

The pre-war rate was a fraction over 25 dinars to the pound. Recently the actual rate of exchange has been 460 to the pound. Obviously, the legislation proceeds on the theory that, whatever the fact, everybody's currency should have fared as badly as their own.

Industrial organizations in England and Poland some time ago came to an agreement for settlement of pre-war debts on a different basis. Pre-war debts due from Poles were stated at amounts calculated in September, 1922, interest at one per cent from the original due date was added, and the total was made payable by half-yearly installments over a period of fifteen years. The period is a maximum. Debtors are to try to do better, and they are to apply any payments received in compensation of war damages. There will be conferences every four years to determine whether or not there should be modifications.

### Taxes As An Index to Conditions

**A**UTOMOBILE TAXES, collected by the federal government upon cars, parts, and accessories sold by the manufacturers, show great increases. In January, 1923, the taxes collected from these sources amounted to \$11,774,000, as against \$4,775,000 in January of 1922.

### Copyrighting a Long Dead King

**A**LL SORTS of things come in an editor's mail, from announcements of a new volume on "The Application of the Method of Least Squares to Cost Accounting Systems for Retail Butchers," to stenographic reports of the debates at the last meeting of the joint conference of the Pretzel Varnishers and the Pretzel Foundrymen's Association. All of it is looked at, although some of it finds a short road to the waste basket.

One item this morning we saved for a re-reading. It was only a post card, but its message moved us. It said:

#### WARNING

Be it known that copyrights are pending in Washington, D. C. and State rights have been granted for the use of the name TUT-ANKH-AMEN as applied to any and all articles.

Can the name of a king dead these 3,000 years be copyrighted in this alert age? If, 2900 years from now, some searcher for materials for a history of the American Revolution opens the tomb of Washington, can that sacred name be copyrighted? Shall Macaulay's New Zealander not merely sketch the ruins, but copyright the name of St. Paul's?

We recall the story of an adventurer in trade who copyrighted in another country the names of all the best-known American automobiles, and, if we recall the story aright, had to be bought off.

But we shall not allow ourselves to be upset or to buy off. We had not planned to put a Tut-Ankh-Amen department in this monthly picture of American industry. Archeology is no part of the nation's business. This magazine is looking forward, not back.

# Tariff Tinkering by Treaty

By HENRY CHALMERS

THE MOST significant changes in the commercial policies of the European nations since the war have not always been the most obvious ones. That there has been going on a general upward movement in European customs tariffs, and that many specific import or export transactions have not been possible except under governmental licenses—the two tendencies discussed in the first article of this series—have been outstanding facts in the European post-war regime which the American foreign trader has come to know from direct experience.

Less obvious, but more radical departures—and in many ways more significant for the future—have been the two other types of measures that have characterized the commercial policies of European countries since the war, first, the various forms of "antidumping" measures to meet competition from the depreciated currency countries, and second, the revision of the basic treaty relations that had for years governed international trade relations.

Antidumping legislation of the type now prevailing in Europe had hardly been known prior to the war. "Dumping," in the strictly technical sense of selling in a foreign market at a price below that asked in the home market, has long been considered an unfair practice in international trade, although only during recent years has the movement grown for the establishment of means to detect the instances of such dumping, and for penalizing shippers engaged in that practice.

Part II of the American Emergency Tariff Act of May, 1921, carried over under the Permanent Tariff Act of September, 1922, typifies the straight antidumping measure.

Under the stress of post-war competition, however, and forced at times by fear for the continuance of a war-born or recently established domestic industry, the term "antidumping" has been applied more broadly, to include also measures intended to meet intensified competition from countries possessing an advantage in depreciated currency and consequently lower production costs.

Perhaps the most striking instance of such legislation is that embodied as Part II of the British Safeguarding of Industries Act, which provides that an antidumping duty of 33 1/3 per cent may be imposed upon the imports of such products as were being offered for sale in the United Kingdom at prices which, by reason of the depreciation of

the currency of the country of manufacture, were below the prices at which similar goods could be profitably manufactured in the United Kingdom.

The check provided against the possible abuse of this means of emergency relief is characteristic of the temper of British legislation generally.

Before such an antidumping duty is ordered, the committees set up by the Board of Trade must be satisfied on two points: First, that by reason of the continued imports of the particular product, employment in any industry in the United Kingdom is being, or is likely to be, seriously affected; and that production in the industry manufacturing similar

dutiable both under the original Key Industries portion of the act, and under its antidumping provisions, are largely of German origin.

Differing from the British only in form has been the legislation adopted by a number of continental countries, principally Belgium, France and Spain. By the Belgian Emergency Tariff Act of November, 1921, increases of from 100 to 300 per cent of the usual duties were imposed upon certain classes of German manufactured goods entering into direct competition with Belgian industries. Textile, chemical and mechanical products were the principal classes of goods affected.

Earlier in 1921, France added to her general and minimum tariff system a new scale of duties, providing for rates often double and higher than the previous upper level, and, in general, averaging about four times as high as the minimum rates of the French tariff, which are those enjoyed by most European countries.

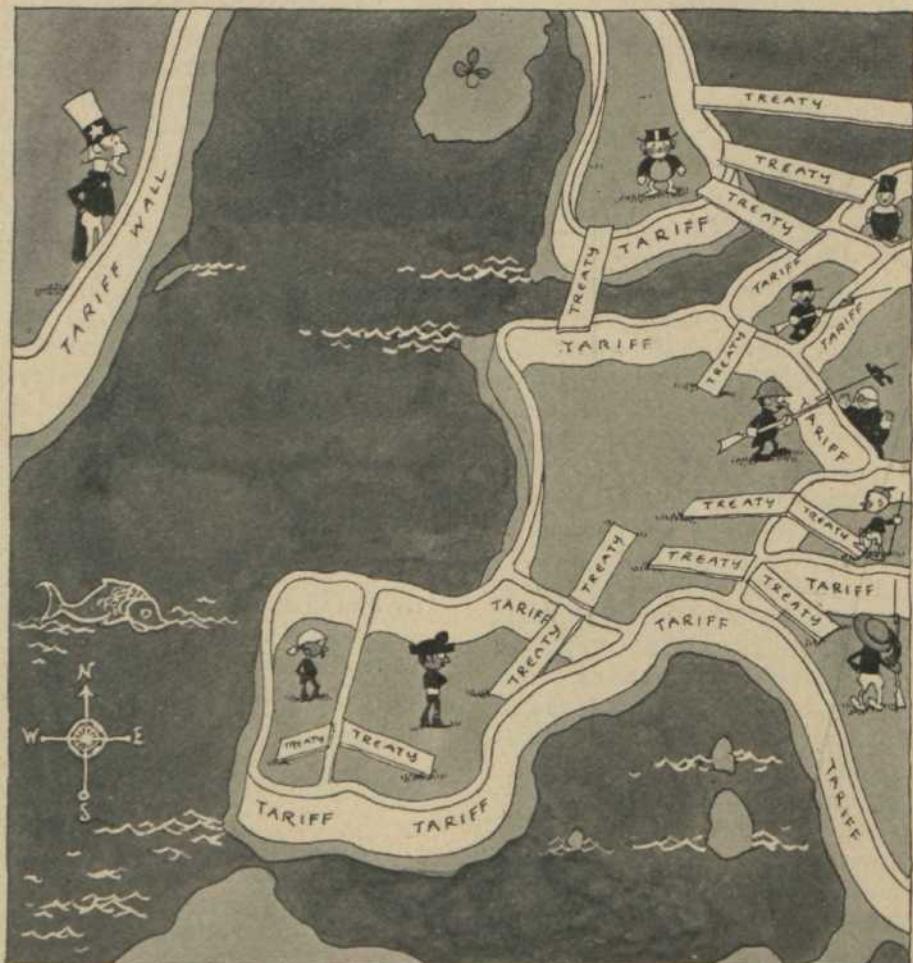
This new scale of duties has been applicable mainly to the products of Germany and Austria, who had lost their treaty status with France as a result of the war. As in the case of Belgium, these maximum duties were officially declared to have for their purpose the protection of French industries against severe competition from countries with depreciated currencies.

That the same object can be achieved in any one of several ways is further illustrated by the antidumping device adopted by Spain. While the manner of assessment has been modified since first imposed in June, 1921, essentially, the Spanish method has consisted of a surcharge upon the products from countries with depreciated currencies, the amount of the sur-

tax on particular shipments varying with the degree of depreciation of the currency of the country of origin, as measured by the quotations on the Madrid Bourse during the preceding month.

The prevalence and apparent effectiveness of these antidumping measures lends point to that rather neglected phase of the recommendations of the recent Committee of Experts on the Economic Condition of Germany, namely, that in any economic readjustment Germany be assured on the part of the other European countries, most-favored-nation treatment in the matter of import duties.

Most important, because of its far-reaching effects, is that fourth, and last, tendency



goods in the United Kingdom is being carried on with reasonable efficiency and economy.

The first year's results of the actual operation of the plan have been interesting. The committees reported favorably upon the imposition of an antidumping duty of 33 1/3 per cent on fabric gloves, glove fabric, glassware for domestic use, illuminating glassware and domestic hollow ware; their recommendation became effective, for a period of two years, from August, 1922.

In the case of a number of other commodities, such as toys, gold leaf and enameled baths, the proposals were definitely dropped upon the adverse reports of the committees that those cases did not fulfil the conditions of the act cited above. The products rendered

which marks current European commercial policy, i.e., the widespread movement for the revision of the basic treaties which have for many years governed the trading relations between the various European countries and, in many cases, also their relations with the principal countries overseas, such as the United States and Japan.

The pre-war state of commercial relations in Europe has been aptly described as "protectionism tempered by treaties." Had the basic or general tariffs of the various European countries been actually applied against all foreign goods, the exchange of products with other nations would have in many instances been well nigh impossible. High tariff barriers would have meant stagnation to many industries, and even ruin to certain producing areas.

Most countries of Europe had, however, long ago adopted the multiple tariff system with the highest, or "general," scale of duties constituting the "asking price," which most countries expected would be considerably reduced by concessions through the process of "haggling" in the international treaty market.

### The Multiple Tariff System

THROUGH this process of bargaining, reciprocal concessions were made from the original "general" tariff schedules until the actual "selling prices"—the duties at which goods actually moved from one country into another—consisted in most cases rather of a series of "conventional" or "minimum rates," usually much below the original general or "asking prices."

By virtue of her strong and growing economic position in Europe, and her scientifically constructed and highly specialized tariff system, Germany had for several decades taken the lead in the shaping of the commercial policy of Europe. The reduced post-war economic position of Germany at present, joined with the limitations placed upon her by the treaty of Versailles, render it impossible for Germany to continue this rôle and no other country of Europe has shown signs of being able to take it up.

The balance wheel in the whole treaty system was the most-favored-nation clause, which formed an important feature of most of the treaties between the European countries. Following, moreover, the traditional European interpretation of the most-favored-nation clause, whereby all privileges which one nation granted to another, were to be automatically extended also to all others enjoying most-favored-nation status—irrespective of whether such privileges were freely given or in consideration for reciprocal favors—there was brought about, in effect, a condition of equality of treatment in matters of customs duties which placed almost any two European countries in the same favorable position in competing for the trade of any third country.

The outbreak of the war, and the abrogation of the commercial treaties between the Central European Powers and the Allied Nations, cut the main strands in that network of commercial treaties which had kept the European trade structure in balance.

Moreover, considering the tremendous changes wrought by the war it was but a matter of time before that whole network of treaties would be unraveled, in order that it might give way to a newer one, rewoven out of the old materials, but designed to bring about something like a new pattern in the post-war commercial texture of Europe.

Even before the war was over, France announced her intention of terminating all commercial treaties containing most-favored-

nation clause; and only by means of short-time "Modus Vivendi," renewable successively, have the old favorable tariff relations between France and many of her former treaty countries been maintained until new permanent agreements could be negotiated. As soon as the limitations of the Treaty of Versailles permitted, Germany abolished all conventional rates established through the negotiations of years, and rendered the products of all countries subject to the higher level of her general tariff.

Many of the German general duties have, moreover, since been increased as much as 50 and 100 per cent. Similarly, Spain announced the abrogation of all her most-favored-nation commercial treaties, reserving for the last the denunciation of the treaties with the United States and Japan, the year's notice of which was given on Nov. 5, 1922.

What followed in the case of Spain well illustrates how treaty bargaining tempers tariffs and shapes actual tariff policy. In framing her new tariff schedules, the general, or "first column," rates were quite frankly set at so high a level that even the "second column," or minimum rates, constituted a good basis for concessions.

In fact, within a month of the bringing into operation of the new Spanish tariff of February, 1922, there followed legislation which was a definite invitation to tariff bargaining, permitting a reduction below the minimum level of the Spanish duties on particular articles imported from countries who would, by treaty, concede equivalent concessions to special Spanish export products.

### New Reciprocal Treaties

THE series of treaties which followed within a few months—the first with Switzerland, the second with France, a third with Norway and a fourth with the United Kingdom—each carrying provisions for reciprocal concessions on products of particular interest to the two contracting countries, have been but the advance guard of a whole series of contemplated treaties.

Italy has likewise given notice to a considerable number of foreign countries of her desire to terminate the existing treaties and inviting negotiations for new arrangements to take their place.

In anticipation of possibly unfavorable reactions upon their trade from these various new commercial treaties being negotiated, Switzerland and Italy have both authorized new and higher import tariff schedules, which are apparently being kept in reserve as a means of retaliating against the products of those countries which levy particularly high duties on Swiss or Italian products, as the case may be, or which fail to grant most-favored-nation treatment to such products.

To a certain degree this period of treaty-making is undoubtedly unsettling, because of the uncertainty as to the exact change in international competitive status which may issue from each set of new negotiations.

Nevertheless, viewing the trend of European tariff history and commercial policy in the perspective of the last half-dozen years, there is much cause for gratification that the period of active treaty negotiation is well under way. For the period of treaty negotiations represents the rebuilding stage, and the conclusion of each new commercial treaty is another thread being woven into the fabric of European commercial relations which had been so badly torn by the war and what followed in its wake.

In two particular sections of Europe, where the need was most urgent for patiently reweaving the network of commercial relations

destroyed by the political repartition of territories, i.e., the succession states of the old Russian and Austrian Empires, hopeful signs are appearing.

As soon as a definite determination can be reached with regard to the permanent trading status of Soviet Russia, it would not be too much to look for active steps toward the restoration of less hampered exchange of products between the various Russian Succession States, either in the form of a definite customs union or more limited exchange of reciprocal trade privileges.

In this region of Europe, however, it must be admitted that as yet the intentions rather than the results are significant.

In the case of the countries of Central and Southeastern Europe, among whom the former Austro-Hungarian Empire was divided, the difficulties in the way of bringing about more liberal trade relations have been particularly great in view of the markedly unequal political and economic strength of the various states and the strong spirit of assertive nationalism which has marked the attitude of some of the newly created or enlarged countries.

The conference at Portorose (near Trieste) in November, 1921, broke ground and marked progress. The following seven countries participated: Austria, Hungary, Rumania, Poland, Czechoslovakia, Jugo-Slavia, and Italy.

The conference was genuinely economic in its purpose, all political problems being ruled out. The delegates faced squarely and frankly the facts in the economic situation resulting from the dismemberment of the old Austro-Hungarian Empire, which had, economically at least, become one huge interdependent area.

It is significant of the earnest spirit with which the governments of these states are now approaching these problems, that as many as nine commercial treaties between various sets of these states have been concluded within a year of the conference, and that most of these treaties were marked by the inclusion of a promise for unconditional most-favored-nation treatment by each country to the other.

### The Reason for Our Interest

WHAT is the meaning of all this for the United States? Our interest in it is obviously two-fold:

First, the hope that by these revisions of their tariffs and trade regulations, and the definite settling of their commercial policies, the various countries of Europe may approach that state of stability which will allow industries to be restored to full activity and essential trade to its normal flow, the prerequisites to any permanent economic or financial reconstruction of Europe.

Second, the more immediate interest of the United States, as a foreign trader, in the potentiality of those countries which furnish a good part of its imports and which, despite their reduced state of prosperity, still constitute the best market for American export products.

The thought of Europe as our best market immediately brings to mind the question: "How is the admission of American products into the different countries of Europe being affected by all this welter of tariff changes and treaty revisions?"

Insofar as the higher tariff duties being established in the various countries serve as protective measures to the domestic industries of the legislating country, the natural result is a curtailment to some degree of our ability to compete in that market. When the protective motive is not prominent and

an advance in a foreign import duty is intended primarily as a revenue measure, or as a restriction upon the importation of luxuries or articles of secondary importance, its effect upon American export trade depends upon two things: the actual height of the new duty, and the degree to which price is a controlling factor in the sale of the particular commodity.

When the new duty is excessively high and price is a material consideration, the high price which must be asked of the user or consumer after duty, freight and intermediate charges have been added to the original cost in the United States, is likely to cause a serious curtailment of sales in the particular market, with former purchasers being led to seek substitutes for the original imported article, or to give up its use altogether.

When, on the other hand, the advanced import duty of the particular country is not excessive in relation to the value of the goods and the article is of an essential or convenience character, insofar as the particular country cannot supply its full needs from within, the usual effect is only a somewhat curtailed volume of sales, at a higher cost to the consumer.

The regime of import and export restrictions is gradually being given up in the countries of Western Europe, and probably it is only a matter of time before the countries of Central and Eastern Europe will be able likewise to relax their present tight control upon foreign trade.

Necessarily more or less temporary in character, the licensing regimes need not materially affect the relative competing power of American goods in European markets, provided only that the restrictions are held firm against all, and that licenses are granted with equal readiness for the importation of the same goods whether of American or other origin.

#### With Regards to Dumping

THE antidumping measures, in the various forms earlier discussed, are directed primarily against products from countries able to produce at low cost because of the gap between internal wages and prices and the depreciation of their currency in world markets. This type of measure does not apply directly to products of the United States, whose dollar is at a premium in most markets of the world. On the contrary, in so far as anti-dumping measures effectively curtail the competitive range of the producers in extremely low-cost, depreciated-currency countries, the exporters of other countries—including the United States—find the market in the particular country more favorable for the entry of their products, and at more nearly normal market prices.

The most important problems in connection with European trade policy, from the viewpoint of the future of American foreign trade, arise rather from the network of commercial treaties. The old advantageous position of the United States in Europe, in ranking among the most-favored-nation countries, who would automatically obtain the benefits of any concessions granted to individual countries by virtue of special treaties, is gradually weakening.

In line with the general desire for overhauling the whole structure of their commercial relations with foreign countries, many of the nations of Europe have denounced all commercial treaties, including those with the United States.

Most of the countries of Europe are hastening to keep open on favorable terms their important foreign markets, and either have

already concluded new treaties with their trading neighbors, or have initiated negotiations to that end. The new treaties are, in general, being consummated on the basis of reciprocal concessions, and in many cases the principle of the unconditional most-favored-nation is being either abandoned or considerably restricted in its application.

As the present treaties with the United States expire, therefore, either by their inherent terms or by denunciation, it is doubtful whether they are likely to be renewed on as favorable conditions as formerly, unless the United States is able to bargain more effectively than in the past.

Moreover, a number of the European treaties of the past year, exchanging special concessions in duties—such as the Franco-Polish treaty—have involved some of the new nations with whom the United States does not now have any commercial treaty status. There is thus being increased the number of markets—hitherto few—where American products may not find their entry facilitated by a most-favored-nation treaty, and may, therefore, be at a handicap in competing with the producers of the more favored countries.

The need for serious consideration on the part of the United States, on this whole problem of the negotiation of new commercial treaties with the various countries of Europe, follows almost axiomatically from the review of the European situation just presented.

Just how the United States, with a rather rigid, single-tariff system—which vests in the Executive the authority to impose retaliatory duties to meet foreign discriminations, but does not grant the power to offer concessions in return for concessions—can effectively participate in the process of tariff bargaining, the principal means whereby the commercial relations of the various European countries are being adjusted among themselves, is a question of the greatest significance to the future of our foreign trade with Europe.

Earnest thought is now being given to this problem by the officials of the Departments of State and Commerce and of the Tariff Commission, at Washington. The benefit of the actual experience and well-considered suggestions of American business men can, however, be of material aid to the officials engaged on these problems, if, in the inevitable treaty negotiations ahead, the Government is to safeguard the needs of American trade with Europe.

#### What Is the Need of a New Isthmian Canal?

HOW MANY years of adequate service can be obtained from the present Panama Canal? Should immediate construction of a new canal be undertaken on the Nicaraguan route? These are questions which have prominent place on the editorial pages of engineering journals. Engineers are not likely to get jobs on new canal construction in the region of the Isthmus for a decade at least, says the *Engineering News-Record* in appraising the current discussion of a new canal project as largely confined to cabinet and chancellery.

If any engineer is counting on getting a job helping to build the new Isthmian canal that Washington is discussing in cabinet and press he had better find a fairly long stop-gap engagement to take care of the next dozen or so years. Statesmen have to look a long

ways ahead, much longer than engineers. And the current canal agitation lies more in the field of diplomacy and statecraft than in that of engineering. The Panama Canal, as was pointed out in these columns some months ago, is good for another thirty years provided certain precautions are taken to insure an additional water supply and even then its capacity can be increased by parallel locks at a tenth of the cost of a new route. With the half dozen national projects crying for execution with federal funds, projects which will both create wealth and protect life and property, this is no time to contemplate the billion dollars that a new Isthmian canal might well cost.

The proposed utilization of the Nicaraguan route for a new canal, with the income from the Panama Canal used toward the cost of construction, is in high favor with the *Engineering and Mining Journal-Press*, which offers forceful reasons for its support of the project.

Secretary Weeks supports the proposal to dig a new canal by the Nicaraguan route, using the income from the Panama Canal for that purpose, so far as it will go. This is a wise plan, and should proceed forthwith. Before the Panama Canal was dug, it was a great question as to whether the Nicaragua or the Panama route should be chosen, and political and financial considerations were said to have contributed to the final choice. European diplomacy reached out, however, and German intrigue sought to control the Central American republics and the route through Nicaragua. The danger of this was so strong that the United States bought from Nicaragua an option on the Nicaragua route and has ever since been sitting on the lid in Nicaragua.

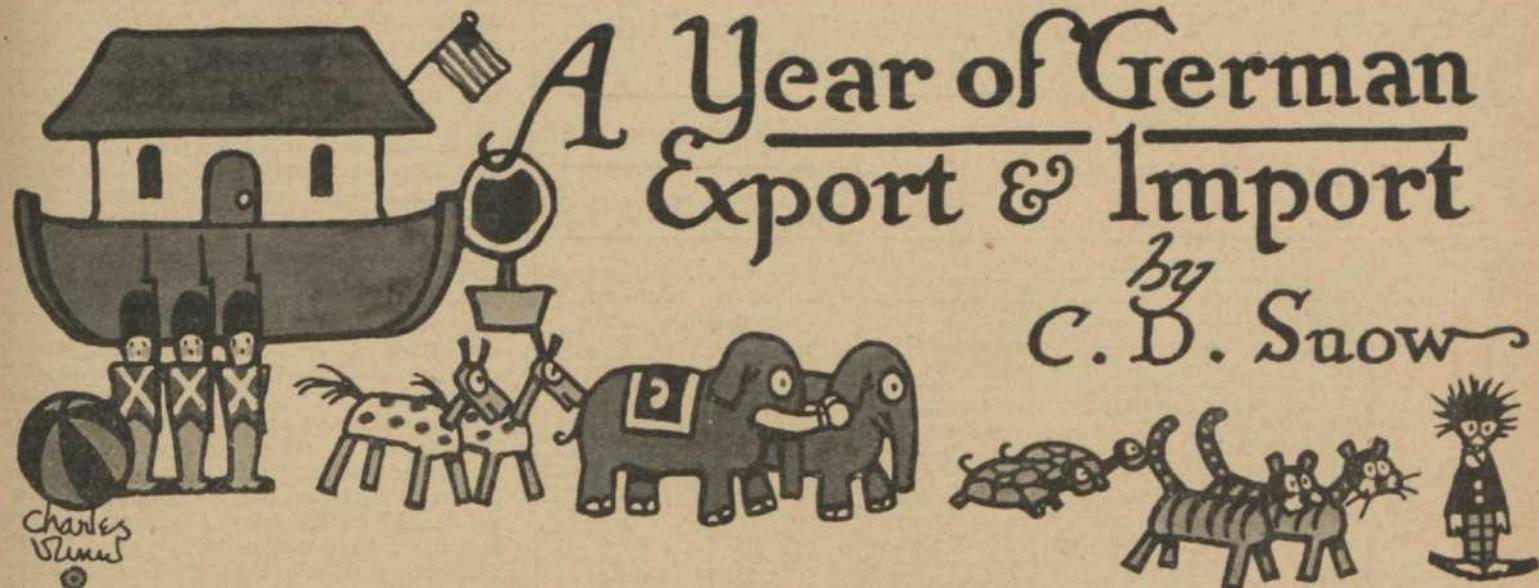
The new canal will tie up the east and west coasts more closely commercially; it will reduce the railroad problem, too closely allied to labor duress; it will be an essential means of military defense. During the late war the blowing up of the Panama Canal was one of the enemy objects.

#### When the F. T. C. Gets Hold of Hogs

HOGS, said a federal circuit court of appeals on February 16, when of the Chester White persuasion may be of the same persuasion as hogs of the O. I. C. sort, as the Federal Trade Commission has formally found as a fact, but that does not preclude the possibility of an honest opinion to the contrary.

The complaint upon which the commission acted, the court thought, had its origin in the rivalries of breeders, and not in damages to the public. Everyone seemed to admit that the O. I. C., against one of whose breeders the commission had proceeded, was at least as good a hog as the Chester White. Whether there was a difference in breed, O. I. C., each purchaser could decide for himself. The champion of the O. I. C. was to be restrained, therefore, only from making statements about ancestors of the O. I. C. which the commission had found as a fact did not stand the tests for accuracy.

As one of the farmer's numerous new friends, the Federal Trade Commission, in the court's opinion, did not make an altogether auspicious sally into the battleground of the hog breeders. The court even intimated that farmers have little use for the opinions of "book men," preferring to get their guidance from folk with practical



# A Year of German Export & Import

by  
C. D. Snow

"GERMAN-MADE GOODS" is likely to convey to the average man or woman in the United States the idea of toys and other Christmas goods, cutlery, cheap earthenware, pans and kettles, souvenir post cards, and all sorts of small metal, porcelain and glass souvenirs. The man of the house may tie up "German-made goods" with a 25-cent imitation of the \$5 American razor, or a push-button jackknife, or an incredibly cheap pair of gas pliers, a chisel, or a hammer. The woman of the house is apt to think of some contrivance of aluminum for use in the kitchen, a 75-cent imitation of a \$5 American mechanical train for the children, or a whole range of 5-and-10-cent-store commodities. The thoughtful reader of newspapers and the trade papers cannot but have firmly fixed in mind the fact that Germany held a stranglehold on the rest of the world in the production of coal-tar dyes and a varied line of other chemical products, potash, etc. Few other commodities come to mind when Germany's exports are mentioned.

Tested from the standpoint of value, and likewise from the standpoint of tonnage, Germany's export trade figures show the basis for this popular conception, but they also show activity in a good many other commodities that is perhaps even more interesting to American business men generally. Coal and coal products, the group of iron and steel and machinery, and the group of cotton, silk and wool products stand out very prominently in the picture of German exports. Zinc ore and crude zinc, automobiles, electrical goods, copper and copper alloys, paper and paper products, leather, glass and glassware, clay products, lumber and timber, furniture and other manufactures of wood, automobile

tires and other rubber goods, cement, and salt are other products that loom up in the list of exports of chief value. Coal-tar dyes and potash, toys and Christmas tree ornaments are, of course, in the list. There are

On the import side, in the value table and in the tonnage table of leading commodities, it is the food and tobacco needs of the German people, and the industrial and other needs of petroleum and petroleum products,

the raw material demand of the great textile industry, and the raw material needs of the great German metallurgical industries that stand out. In fact, there is little in the lists that does not fall in those classes. We find raw cotton, raw wool and raw silk; wheat, corn, rye, dried beans, tobacco; lard, tallow and other animal fats; meats and provisions, fish, linseed, cotton-seed, olive and other vegetable oils, cocoa butter; coal, lubricating oil, paraffin oil, vaseline, illuminating oil, etc.; iron ore, manganese ore and crude copper. The only other commodities appearing among the 23 leading imports by value, and the 23 leading imports by tonnage, are leather, cotton fabrics, and cotton yarn and thread, and woolen fabrics.

The first full year for which detailed statistics of the export and import trade of Germany were published following the World War was 1920. In 1921, for some reason or other not known to us, there was a lapse of four months, in which the exports and imports were not made public. The next full period of twelve months for which we have the detailed figures is the year beginning May 1, 1921, and closing April 30, 1922. The lists referred to here relate to that period, except in the country list, which is for an even shorter period.

Of course what everybody is interested in finding out is how the German trade compares with the trade before the war, and the respects in which the war has affected that trade. Largely the same commodities and

Trend of German Exports and Imports,  
1913 and 1922

Country	Per cent of exports		Per cent of imports	
	1922	1913	1922	1913
<i>Europe:</i>				
Netherlands	17.2	6.9	3.9	3.1
Austria, Hungary, Jugoslavia, Czecho-Slovakia, Rumania, Bulgaria, Greece, and Turkey	13.1	14.0	6.0	9.5
Denmark, Norway and Sweden	11.6	6.7	4.2	4.7
United Kingdom	7.7	14.2	8.7	8.1
Danzig, Memel, and Saar	4.8	—	2.4	—
Switzerland	4.7	5.3	3.0	2.0
Russia, Finland, and Poland	4.6	9.7	2.3	13.6
Belgium	4.2	5.5	2.8	3.2
Italy	3.9	3.9	3.4	3.0
France	2.6	7.8	2.6	5.4
Alsace-Lorraine	.3	—	4.3	—
Spain	2.4	1.4	1.3	1.9
All others	1.2	.6	.9	.2
Total Europe	78.3	76.0	45.8	54.7
<i>America:</i>				
United States	7.6	7.1	23.0	15.9
Argentina	2.4	2.6	4.7	4.6
Brazil	1.1	2.0	2.1	2.3
All others	2.0	3.6	2.4	5.0
Total America	13.1	15.3	32.2	27.8
<i>Asia:</i>				
Japan	2.3	1.2	.3	.5
British India	1.7	1.6	4.3	5.4
Dutch East Indies	1.3	1.0	4.5	2.1
China	1.2	1.2	1.3	.4
All others	.3	.5	1.0	1.4
Total Asia	6.8	5.5	11.4	9.8
<i>Africa:</i>				
Oceania	1.7	2.1	7.1	4.6

also two foodstuff items—sugar-beet seed and potatoes. Taking the quantity figures for the chief exports, we find most of the commodities mentioned standing high in the value list, although in quite different relative positions.

## Tonnage of Chief Imports into Germany for Year Ending April 30, 1922, and for the Year 1913

Rank in		Commodity	Metric tons imported in	
1922	1913		May, 1921, to April, 1922	Year 1913
1	2	Iron ore.	7,330,060	14,024,318
2	1	Coal, coke, and briquettes.	4,164,401	18,288,970
3	3	Wheat.	1,845,493	2,545,959
4	4	Corn.	1,522,638	918,655
5	7	Raw cotton.	343,594	526,128
6	8	Fish.	290,234	386,500
7	10	Lubricating oil, paraffin oil, vaseline, etc.	274,036	248,035
8	6	Manganese ore.	268,546	680,371
9	11	Lard, tallow, and other animal fats.	231,214	236,370
10	13	Raw wool.	182,563	198,987
11	5	Illuminating oil.	145,481	745,466
12	9	Rye.	143,327	352,534
13	12	Crude copper.	126,583	225,392
14	14	Leaf tobacco.	113,512	81,400
15	15	Meats and meat products.	103,598	68,420
16	16	Linseed, cottonseed, olive and other fatty vegetable oils.	87,830	47,869
17	20	Cocoa butter, and other vegetable fats.	49,406	27,939
18	18	Cotton yarn and thread.	34,281	33,223
19	17	Dried beans.	30,571	35,131
20	19	Cotton fabrics.	27,529	33,220
21	21	Leather.	10,405	9,140
22	23	Woolen fabrics.	3,532	4,198
23	22	Raw silk.	1,829	4,302
		Tonnage of other imports.	9,394,133	33,109,823
		Total import tonnage.	26,724,796	72,832,350

largely the same relative importance of commodities appear in the post-war lists as appeared in the pre-war lists. Post-war value figures are in terms of paper marks, and the paper mark is a commodity gauge of very uncertain character in view of its abrupt downward tendency. The value figures are accordingly rather an unprofitable source of information for comparison with pre-war figures, quite apart from the price difference in the two periods. Quantity figures, are, however, still comparable. In some quarters the accuracy of the 1921-22 official export and import statistics put out by the German Statistical Office has been questioned. In the absence of specific proof of serious inaccuracies they may be taken as the best index available for comparison with pre-war trade. We are reproducing brief tonnage tables for the chief German exports and the chief German imports in the year 1921-22 compared with the year 1913.

Although the gold value figures are not available for comparison with pre-war value figures the relative importance of the various commodities in the year 1921-1922 may still be compared with their relative importance in the value tables of 1913. Coal and products were Germany's chief export in 1913, constituting more than 7 per cent of the total value of German exports. Today, even with the heavy reparations shipments of coal not included in the statement, the commercial shipments of coal still constitute 3.8 per cent of the value of Germany's exports, and it is only machinery and cotton fabrics that lead coal in value. Machinery and machine parts now head the list of values, and cotton fabrics are in second place. Machinery, now first, and cotton fabrics, now second, before the war ranked second and third respectively, after coal.

Paper and paper products were in fourth place before the war and they are in fourth place today. Silk fabrics are in sixth place in value today as compared with seventh

place before the war. Coal tar dyes stand in eighth place in point of value today, and occupied exactly the same position in 1913. Leather dropped from fifth place before the war to ninth place in value of exports in 1921-22. Some of the most striking features of the value comparison are the rise of furniture from eighteenth place before the war to fourteenth place now, the rise of lumber from twenty-first place before the war to eighteenth place now; the big drop of potash from ninth place before the war to seventeenth place now; the drop of malleable bars from sixth place before the war to eleventh place now; the drop of castings, forgings and other malleable iron products from tenth place to sixteenth place; the drop of soft rubber goods from thirteenth place to twenty-first place, and the drop of iron and steel billets, blooms, etc., from nineteenth to twenty-eighth place.

Taking the export tonnage table as a whole, we find the total for 1921-1922 standing at 21,826,264, compared with 73,714,280 before the war. This is not the whole story, however, because the reparations shipments of coal to France, Belgium, and Italy are not included. In the twelve post-war months under review these amounted to 17,000,000 tons, which would bring the total export tonnage for the year 1921-22 up to about 39,000,000 as compared with 73,700,000 before the war. But exclude coal from the comparison altogether, and it will be seen that the tonnage of German exports in 1921-22 was only 44 per cent of the tonnage in 1913. There

## Tonnage of Chief Exports from Germany for Year Ending April 30, 1922, and for the Year 1913

Rank in		Commodity	Metric tons exported in	
1922	1913		May, 1921, to April, 1922	Year 1913
1	1	Coal, coke, peat, and briquettes.	8,804,932	44,348,196
2	12	Lumber and timber.	911,342	468,378
3	14	Salt.	800,503	436,720
4	2	Potash for fertilizers.	757,154	2,262,123
5	6	Clay products.	558,977	778,750
6	3	Malleable iron in bars.	521,984	1,620,125
7	4	Cement.	471,824	1,129,563
8	10	Machinery and parts.	388,220	595,670
9	11	Paper and paper products.	380,982	542,608
10	9	Railway rails, sleepers, etc.	305,134	635,128
11	8	Iron sheets and plates.	259,044	651,491
12	5	Pig iron.	238,954	782,911
13	13	Iron wire.	164,968	462,659
14	22	Furniture and other manufactures of wood.	132,132	76,290
15	17	Glass and glassware.	121,375	245,810
16	18	Castings, forgings, and other malleable iron products.	118,945	176,164
17	16	Iron pipes and tubes rolled or drawn.	115,150	306,728
18	19	Electrical goods.	85,757	133,854
19	15	Potatoes.	67,452	332,473
20	21	Manufactures of copper and copper alloys.	59,114	84,755
21	25	Toys and Christmas tree ornaments.	44,649	56,599
22	7	Iron or steel blooms, puddled bars, ingots, billets, etc.	39,610	700,779
23	23	Coal-tar dyes.	25,705	75,328
24	20	Crude zinc.	24,557	105,244
25	24	Cotton fabrics.	22,015	70,568
26	33	Manganese ore.	21,816	9,295
27	31	Automobiles (Number).	18,987	12,726
28	26	Zinc ore.	(9,274)	(8,862)
29	27	Wool fabrics.	18,562	45,092
30	28	Sugar-beet seed.	12,412	33,094
31	29	Soft rubber goods.	12,167	29,650
32	30	Wool yarn.	10,091	18,270
33	32	Silk fabrics.	4,640	13,821
		Tonnage of other exports.	2,592	10,384
		Total export tonnage.	6,304,518	16,463,034
			21,826,264	73,714,280



are only four important items of German export in 1921-22 that come up to the 1913 figures—lumber, furniture, salt, and automobiles.

Lumber, now occupying second place in the quantity table, was in eleventh place in 1913. This commodity showed an actual gain of 95 per cent—chiefly shipped to Holland, Alsace-Lorraine, the Saar, Switzerland and France. Salt, now in third place in the tonnage table, stood thirteenth in 1913, an actual gain of 83 per cent in tonnage, chiefly shipped to Czechoslovakia, Hungary, Holland, and Belgium. Potash, now fourth in tonnage, stood second in pre-war tonnage, registering a decline of 66 per cent, shipments largely to the United States. Clay products, in fifth place in 1921-22, and in sixth place before the war, showed a decrease of about two-thirds.

The total of iron and steel exports represents only about 37 per cent of the 1913 tonnage; rails and other track material fell off more than half, pig iron more than two-thirds, iron wire about two-thirds, and iron sheets and plates about 60 per cent, and iron pipes and tubes close to two-thirds. Machinery held up relatively well in comparison with iron and steel products generally, although registering a decline of 35 per cent from pre-war tonnage. Locomotives were shipped to Russia, Roumania, Brazil, Spain, Holland and the Dutch East Indies. Gasoline and other internal-combustion engines to Holland, Roumania and Belgium; sewing and knitting machines to Japan, France, Belgium and Holland; metal working machinery to Belgium, France, Italy, Austria and Czechoslovakia; wood-working machinery to Holland and Austria; polishing machinery to Holland, Belgium, Italy, France and Czechoslovakia. Machinery exports to Latin America in general were slight.

Automobile exports, chiefly to Holland, Sweden, Denmark, Belgium and Spain, increased from 8,862 before the war to 9,274

cars, the tonnage increase being from 12,726 to 18,987. In the year through April, 1922, the monthly average was 773, but later in 1922 that average fell off. Electrical goods, including incandescent lamps in considerable quantities, showed a tonnage decrease from 133,854 in 1913 to 85,757 in 1921-22—the United States, Scandinavian countries, Russia, Italy, Austria, Brazil, China and Holland appearing prominently among the buying countries. Cement, which occupied fourth place in the tonnage table before the war, dropped to seventh place, the tonnage loss being from 1,100,000 to 472,000. Paper and paper products dropped from 542,608 to 380,982. Furniture and wooden wares, one of the few showing an actual increase in tonnage, rose from twenty-first place in the tonnage table to fourteenth place, the tonnage rising from 76,290 in 1913 to 132,132 in 1921-22, with Holland, the Saar, Denmark and the United Kingdom figuring prominently among the buyers. Glass and glassware dropped off more than 50 per cent, although retaining about the same relative position in the quantity table. Manufactured copper and copper alloys showed a tonnage of 59,114 compared to the pre-war tonnage of 84,755. The tonnage of toys and Christmas-tree ornaments was off only 21 per cent from the pre-war tonnage. Potatoes stand now in nineteenth place in the tonnage table compared to fourteenth place before the war, although the 1921-22 tonnage represented only one-fifth the pre-war exports. Sugar beet seed occupied about the same relative position in the list, but was little more than 30 per cent of the actual pre-war tonnage. Coal-tar dyes fell off about two-thirds from the pre-war figure; crude zinc fell off more than three-fourths. Cotton fabrics exported in 1921-22 represented less than a third of the pre-war shipments.

The relative importance, from the standpoint of value of the various continents and

countries, is another interesting side of the situation. A compact table showing the relative importance of various countries for the first quarters of 1913 and 1922, the best available, is reproduced. In viewing this table some of the facts brought out above must be borne in mind; especially that, although a particular country may be taking a larger percentage of the total of Germany's exports, the actual gold value of the exports may be very much less than before the war—the absence of comparable value statistics making the absolute comparison impossible. It appears that Europe is taking 78 per cent of Germany's exports now compared with 76 per cent in 1913. Russia and the United Kingdom are only one-half as important customers as before the war; France only one-third. On the other hand, the relative importance of Scandinavia as a customer has nearly doubled; the importance of the Netherlands has increased two and one-half times. The Balkans, Austria-Hungary, and the other countries to the east of Germany occupy about the same relative standing as before the war. The United States is relatively more important as a customer of Germany, and the other American countries are distinctly less important than before the war. Japanese buying of German merchandise is relatively much more important than in 1913.

The striking gain in the relative standing of Holland in the list may represent a considerable amount of re-export from Holland to other countries, and may in part be accounted for by the inability to make shipping connections at the German ports comparable to those that existed in 1913. It is possible also that a considerable part of the shipments accredited to the Scandinavian countries, likewise, finds an ultimate destination elsewhere.

Space is lacking to comment further in any detail on the import figures which are, however, set forth in the tables accompanying this article.

# Getting a Freight Rate Fixed

By JOHN W. KEAN

**I**F I WANT something done in my business, I do it myself or I tell someone to do it and watch him—then it gets done."

"But if I ask the Government to do something, someone asks someone, who asks someone else who asks another fellow—and it never gets done."

And there's a philosophy commonly held all through the United States. At the moment it is vocal in Petropolis, Michigan, whence has gone complaint to the Interstate Commerce Commission about a freight rate on potatoes, the leading product of the country round about Petropolis.

That spirit moved the farmer who left his car at the door of the general store and said to the proprietor:

"Andy, what happened to your kick about freight rates?"

"The commission is still working on it," Andy replied.

"How long since you make the kick?"

"A year in June."

"That's government red tape for you."

But here's what happened to Petropolis' complaint as engineered by Andy:

Andy first wrote to the traffic manager of the B. & D. Railroad, the only line serving

Petropolis, saying that, in his opinion, the rate on potatoes from Petropolis to Chicago was too high. In a few days he received a polite reply from the traffic manager which practically admitted that he was right.

The traffic manager also asked Andy if it was a fact that the farmers were allowing their potatoes to rot in the ground and what reduction in the rate did he think would get potatoes to market.

Andy replied to these questions to the best of his ability and shortly received a call from a traveling freight agent of the B. & D., who made a trip through the country, observing conditions on the farms.

When a few weeks passed after the agent's visit without any word from the B. & D., Andy decided to talk the matter of the freight rate over with a local lawyer—call him Ben. He didn't propose to pay any lawyer's fee; he would just meet Ben casually and get his opinion.

Meeting Ben on the street, he showed him the letter from the traffic manager. Ben read the letter but made no definite suggestions.

"Would you send the letter to the Interstate Commerce Commission in Washington and ask them to reduce the rate?"

"That might not be a bad idea," Ben replied, after a moment's pause.

That night Andy wrote the I. C. C., sending along the traffic manager's letter. It was returned in a week with a booklet entitled, "Rules of Practice Before the Commission."

The accompanying letter advised Andy that he would find all the necessary information in the booklet in case he desired to file a formal complaint.

Andy read the commission's letter half a dozen times. Then he read the booklet another half a dozen times. Finally he decided that it had been sent to him not only for information but also to give him an idea of the seriousness of a formal complaint against a freight rate.

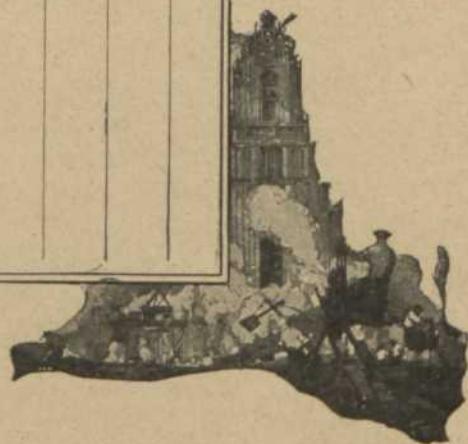
"Why, it's just like getting into a law suit," Andy thought, when he saw that there was a place provided for the signature of an attorney at the bottom of the complaint form printed in the booklet. "When Old Ben said that it might not be a bad idea to write the commission I had a suspicion that he was fishing for a fee."

For several days Andy thought over the I. C. C. letter and then called on Ben and got this advice:

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Name of Bank		Scheme	Scheme	Scheme	Scheme
Investment		A	B	C	D
<i>Fixed Charges</i>	Land Building Total Investment				
	Taxes Interest Depreciation Sinking Fund Insurance Vacation Ground Rent				
	Total Charges				
<i>Operation</i>	Superintendent Janitor Electric Elev. Operators Clerks Porters Foreman Coal Power Gas Water Supplies Repairs				
	Total Operation				
<i>Expense</i>	Total Expense				
<i>Income</i>	Office Rent State Rent Bank Rent Total Rent				
<i>Profit</i>					

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THE success of an investment in a bank and office building depends upon many factors — among the important ones being the ratio of gross floor area to the cubic foot cost of construction, the ratio of net rentable area to gross floor area, the ratio of elevator equipment cost to net rentable area, and the extent to which the entire floor area is well lighted and well ventilated.

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forth on the form reproduced above. The schedule indicates the probable investment return of different building schemes which an owner may have under consideration. This information is furnished as a part of the complete Hoggson Preliminary Service and constitutes a major advantage secured by its use.

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"You're a fool if you try to carry through a formal complaint at your own expense. Every merchant in town and every farmer around here will be benefited. I'll draw up a simple form of agreement for a division of expense, and while you get signers I'll prepare a formal complaint."

The formal complaint was ready before the agreement was signed. It accused the B. & D. of having in effect a freight rate on potatoes from Petropolis to Chicago which was unjust, unreasonable, unjustly discriminatory, unduly prejudicial, and, it was believed, a violation of the long-and-short-haul. Briefly, Ben, lawyerlike, had accused the B. & D. of every crime on the traffic calendar.

Duly signed, the formal complaint was mailed to the I. C. C. and by the commission in turn sent to the B. & D. Railroad, which had twenty days to reply.

When the answer of the B. & D., which denied that the company was guilty of the crimes listed, was received, the commission docketed the complaint for a hearing before an examiner.

There are approximately fifty examiners employed by the I. C. C. These men, lawyers and traffic experts, are continually traveling over the country holding hearings on formal complaints against freight rates.

Andy and Ben were immediately advised of the date of a hearing in Petropolis. Ben, realizing the technical nature of the hearing, called on a traffic expert in Chicago for assistance.

The day of the hearing a small army of railroad lawyers and traffic experts was on hand. In addition, to Andy's surprise, another small army of potato shippers from Wisconsin, Illinois and Indiana were on hand. These men appeared to be more opposed to Andy receiving a reduction in his rate than the officials of the B. & D.

Getting down to business, the examiner put the witnesses on the stand. Each testified as to conditions existing in the potato raising and shipping business under oath, and when it came Andy's turn he made a very creditable showing.

While Andy had learned somewhat the attitude of the B. & D., he had partly expected that the company's attorneys would treat him a little rough on the stand now that he had forced the case to a legal battle. Apparently, their desire was simply to get at the facts in the case and to develop to what extent a reduction in the potato rate would increase shipments and improve business conditions.

In fact, Andy's real opponents were the other potato shippers. They objected to Petropolis and the neighboring territory in Michigan getting a lower rate unless they also got a reduction.

The experience was teaching Andy a few things about freight rates. The attitude of these shippers taught him that if one county got a reduction the next county demanded a reduction, finally the next state

and, no doubt, in some cases, the whole United States became involved.

Six weeks after the hearing Andy and Ben received from the I. C. C. a copy of a "Proposed Report" made by the examiner. This proposed report, after going into the history of the potato raising business in surprising detail, also the history of the freight rates on potatoes, concluded by recommending a reduction in the rate from Petropolis to Chicago. If this proposed report was approved by the I. C. C. it would become the legal decision of that body and the B. & D. would be required to reduce the rate.



The traffic manager asked Andy if the farmers allowed their potatoes to rot in the ground, and what reduction in rate would get them to market

Andy was elated until his lawyer pointed out that a copy of the proposed report had also been sent to the B. & D. and to the interveners, as the other shippers were termed (Andy, however, preferring "interferers" as a more appropriate name), and that these parties to the hearing had twenty days to file exceptions to the report or to request an opportunity to make oral argument before the commission.

"But both sides prepared written arguments after the hearing and sent them in," Andy said. "I don't see any sense now in requesting an opportunity to make an oral argument."

"The commission," Ben explained, "is practically a court of last resort in these rate cases. Every opportunity, therefore, is given the parties interested."

"That's only right," Andy said. "If the report had recommended against us, I would have been kicking for another chance to talk and I suppose the other shippers feel the same way."

"The other shippers will, no doubt, ask for an opportunity to make oral argument," Ben said. "They cannot introduce any new matter into the proceedings but they will fight the case through and then make formal complaint against their rates. You don't object to a trip to Washington, do you, Andy?"

Here, then, in table form is the record of the Complaint of Petropolis:

June 1. Wrote the traffic manager of the B. & D.

June 10. Reply received from the traffic manager.

June 14. Again wrote the B. & D.

June 25. Wrote the I. C. C.

July 2. Received reply and booklet from I. C. C.

July 30. Sent formal complaint to I. C. C.

Aug. 5. Commission sent complaint to B. & D.

Aug. 20. Commission received reply from B. & D.

Aug. 25. Advice received from I. C. C. that an examiner would hold a hearing on the potato rate in Petropolis on October 10. (As much time as possible granted by the I. C. C. to enable the parties properly to prepare for the hearing.)

Oct. 10. Hearing in Petropolis.

Dec. 10. Proposed report of examiner received. (Two months allowed the examiner to make a study of the potato raising and shipping business, to study potato rates, carefully examine and study the evidence and make a decision.) Parties given twenty days to file exceptions and request oral argument.

Jan. 10. Notice received that I. C. C. will hear oral argument in Washington on March 5. Time again granted the parties to prepare their oral argument.)

Mar. 5. Oral argument before the I. C. C. in Washington.

Nothing especially new developed at the hearing of the oral arguments in Washington save that

Andy enjoyed his first trip to the capital.

When they returned to Petropolis, Ben, like a wise old lawyer, immediately figured up the expense incurred, and each signer of the agreement contributed his share.

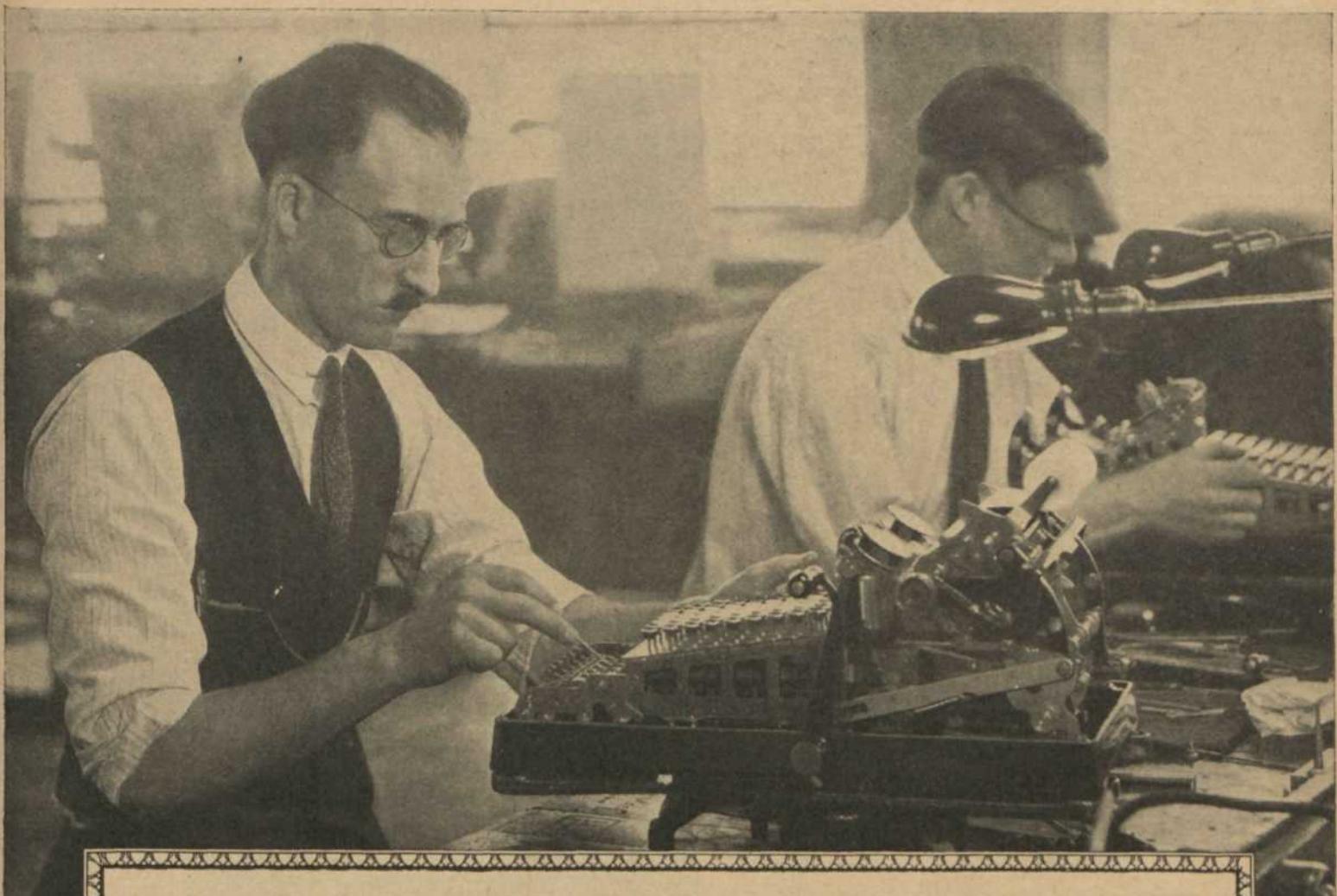
After they had contributed, some of the signers began to question Andy regularly about the decision. He told them all, with confidence, that they were certain to win. But as the days passed he got anxious realizing that, if they lost, he would hear about potato rates every day for the rest of his life.

But they won. In April the news came that the I. C. C. had acknowledged the justice of his complaint and approved the examiner's report.

Red tape? Perhaps so, but whom shall we blame? Government, railroad, shippers, or all three?

### A Little Known Subsidy

SUBSIDY is a phrase that has no terrors for state and municipal governments, whether within sound of the sea or high in the mountains, when it comes to their finances. The exemption of the interest on their obligations from federal income tax, the Secretary of the Treasury points out, means that the Federal Government at its own expense is providing them with one of the most handsome subsidies that was ever known—and a subsidy in return for which there is no national advantage.



## If you could see a Burroughs in the making

—then, and only then, could you really begin to appreciate the importance of utmost precision at every point in the manufacture of a figuring machine.

Even with equally good design and materials, there are still literally hundreds of ways in which one figuring machine can be better than another, for there are hundreds of parts to be made and fitted together, hundreds of operations in which more care and skill may be used in one case than in the other.

Precision, exactness, painstaking care with little things

were born into the Burroughs organization. In building the very first adding machine, William Seward Burroughs, abandoning ordinary methods, made his drawings on metal plates which could not shrink or stretch the fraction of a hair, drawing his lines and striking his centers under a microscope.

Precision in manufacture is one of the principal things that makes a Burroughs a Burroughs. For only with unfailing accuracy in building is it possible to achieve unfailing accuracy in results.

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# What Is Wrong With Radio?

By RAYMOND FRANCIS YATES

**I**N CERTAIN respects radio has been a business phenomenon. Its rapid growth has no parallel in industrial history. It was in the latter part of the year 1920 that the engineers of the Westinghouse Company started the experiment of broadcasting at Pittsburgh. It was the company's desire to stimulate the sale of amateur receiving apparatus. The effect was magic. Within a few weeks time customers were standing three deep before the counters of the Pittsburgh electrical shops. Available apparatus was swept from the shelves, and the Westinghouse Company was faced with the problem of increasing its production at an unheard of rate.

Alert to the business possibilities of broadcasting, the company at once established stations in Newark, Chicago, and Springfield, Mass. In every instance, the Pittsburgh experience was duplicated. The *Newark Call* devoted considerable space to radio material of an educational nature, and as a result the circulation went up by the thousands. The same thing had been done in Pittsburgh by the *Post Dispatch* and other local newspapers. In fact, the phenomenal growth of radio was due almost entirely to the support which the newspapers gave it. It was a sensational thing and not without its circulation-getting features. It was in this way that the public became familiar with broadcasting, and that entertainment was available to anyone with a receiving instrument.

Before the advent of broadcasting, the city of Newark boasted of one combined electrical and radio shop. A few weeks after broadcasting had started there were over 200. In New York City the number of radio dealers grew from a few to over 1,500. Radio became a side line for hardware stores, stationery stores, drug stores; in one instance, the writer saw it featured as a side line in a millinery shop. The people who sold the instruments knew little or nothing about them, and every purchaser had to turn to his newspaper for information.

**T**HE industrial side of this matter was a study. Here was an unheard of demand that practically grew over night. It was a dangerous situation. The manufacturers producing instruments were deluged with orders. Every one of them had more business than he could absorb. The ordering on the part of the jobbers, dealers and distributors was of the wildest nature.

In the meantime the situation was aggravated by the establishment of more broadcasting stations supported by newspapers, colleges and other public institutions. Radio sales grew from a few thousand dollars to a point where they were estimated at no less than six million dollars a day. Even at this figure the demand, as reflected by the appalling number of orders placed, was nowhere near met. Before broadcasting started there were about 30 reliable producers of amateur radio equipment. Within a few months the number of radio manufacturers was increased to five thousand. Incorporations came fast and furious. Many of the machine shops, left idle since the war, were put to use, and in some cases amateurs who had a lathe in

the cellar or attic became "manufacturers." Only a very small percentage of the new companies and corporations formed had either the necessary business, technical or manufacturing experience. It is safe to say that 95 per cent of these new organizations had no right to enter the business. Radio engineering talent was scarce, and there were very few expert engineers worthy of the name.

Badly designed and carelessly manufactured products were dumped upon the market by the carload. The material was eagerly absorbed by the ignorant retailers and passed on to an equally ignorant public. Patent rights were absolutely ignored, and there was just one grand producing festival.

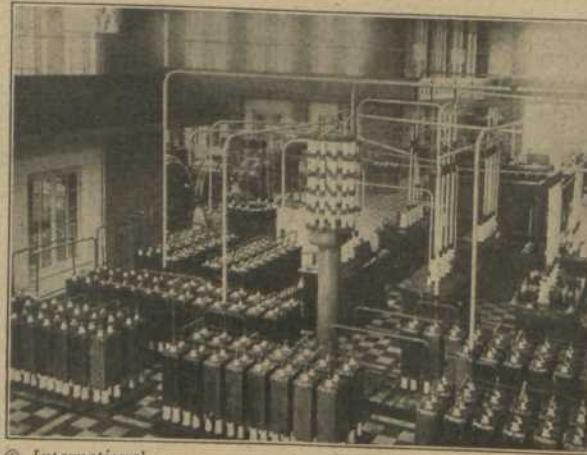
Prices during this period of inflation were exorbitantly high, but a radio instrument was a piece of very mysterious mechanism to the average purchaser, and consequently he had no conception of proper values; furthermore he was so anxious to receive the music that the thought probably never entered his mind. Devices that were assembled for a few cents were sold for several dollars.

During the winter of 1921 and 1922, the radio business was tremendous, and its effect was felt generally throughout the country. The raw material producers of the electrical industry were particularly benefited, and it was thought that radio was supplying the needed spark for the revival of American business. Many large and well-established manufacturers opened radio departments and started hurried preparations to help supply the demand. No one seemed to give any thought to the approach of the summer months and the effect of the warm weather on radio sales. Those who have followed the phonograph industry know that comparatively few record or machine sales are made during the warm months. Business was splendid until April. Production was still shooting skyward. Then a great industrial catastrophe was precipitated. Although the public did not stop buying entirely, sales fell off to an astounding degree, a very small percentage of their former high point. The effect was disastrous. Dealers started to cancel their orders because their shelves were loaded and the merchandise was moving slowly. The jobbers in turn cancelled their orders with the manufacturers. The manufacturer was hit hardest. He had invested heavily in raw materials in anticipation of continued demand and had a vast store of finished devices, in process and ready for delivery. In many instances, every cent of his working capital was tied up.

By the month of July, 1922, the surplus material ran high into the millions. Dealers and jobbers were unable to pay their bills and manufacturers were further embarrassed with frozen accounts. The writer knows of one manufacturer who was carrying over three-quarters of a million dollars in credits on his books. Many of the reputable jobbers were so heavily burdened that they simply could not make payments. Such was also the case with the majority of dealers. This debacle threatened the existence of some of the very strongest manufacturers. Bankruptcies came fast. Side-line dealers disappeared with the same magic rapidity that brought them into existence. Literally thousands of manufacturers were swept into financial ruin. The market was glutted. The month of July also marked the beginning of slashing prices. Six-dollar items were sold for \$2, and even the strongest manufacturers in the field could not prevent this reduction. The apparatus was out of their hands, and the regulation of its price was absolutely beyond their control.

Out of this muddled situation a brisk traffic in price cutting grew. So-called clearing houses were established, and the smaller manufacturers and jobbers were approached by agents who would relieve them of their apparatus at a price. Then the material of the bankrupt dealers, jobbers and manufacturers was auctioned off at ridiculous figures. Many manufacturers had to choose between going into bankruptcy or allowing these clearing houses to obtain their products. Even the unloading of the surplus failed to revive some of them.

In New York, Chicago and Boston, as well as many smaller cities, cut-rate radio shops sprang into existence. Articles were offered at one-third and oftentimes one-fifth of what the public had been accustomed to paying for them. While much of the material was the product of unknown manufacturers, a large percentage was good standard merchandise. The cut-price shops did a huge volume of business and advertised heavily in the local newspapers. A large number of dealers refused to join this crusade of price cutting, and as a result their sales amounted to little or nothing. In New York an attempt was made to bring the dealers together in an association, the members of which would have some standards of prices to guide them. The cut-price dealers refused to join the movement, and in final desperation practically all the dealers in the country started a general price-cutting campaign.



© International

Sending-room Neuen, Germany. Messages from there reach us in one-twentieth of a second

"We flatter ourselves we are the germ of a great state ..... the country must populate" *Memorial to Congress, 1839*



## THE PATH OF EMPIRE

A LIFETIME ago an exhausted band of one thousand people, with 120 wagons and more than 5000 cattle, struggled into the Pacific Northwest.

The ruts of their wagons reached 2000 weary miles behind them. Months of terrible toil were over—the first of the Great Migrations was at its journey's end.

A lifetime ago! The Pacific Northwest was still a wilderness, the "Path of Empire" a wagon trail.

\* \* \* \* \*

From 1843 onward caravan after caravan of covered wagons lurched over the Oregon Trail. Then railroads and a mounting wave of immigration.

Yet, only 40-odd years ago, in all the vast expanse of Washington, Oregon, Idaho, Montana and Wyoming there were fewer people than in Cincinnati or Minneapolis today!

But 40 years have wrought their miracle. Population has increased almost *eight times* as fast as in the United States as a whole. Large and beautiful cities have arisen. Rapidly grow-

ing towns and villages, and comfortable farm homes dot the countryside.

And with the tremendous growth in population has come a like growth in industry, commerce, agriculture, markets.

An Empire of Opportunity has unfolded, is unfolding in the Pacific Northwest swiftly. Its opportunities are the unequalled opportunities of a wide and rapid development in a new land of vast natural wealth.

\* \* \* \* \*

And this development, despite the high

The Burlington - Great Northern - Northern Pacific Railroads were created largely by the pioneer energy of the Pacific Northwest for its service and hold ever in mind this purpose of their founders

level it has reached is still in infancy.

In a great domain more than twice as large as France there are but three and one-half million persons. With millions of fertile acres adapted to intensive cultivation, there are but seven persons to the square mile. Its mine of latent resources has only been scratched.

Young, rich, virile, the Pacific Northwest stands at the edge of an illimitable future. Its call is still for pioneers: pioneers of the land—farmers, dairymen, stockmen, fruit-growers; pioneers of industry and business—manufacturers, retailers, distributors, workers, operators; pioneers of trade and commerce.

For each of these, in a land of gloriously mild and healthful climate, awaits the old, precious heritage of the American stock—a chance to "grow up with the country," a part in the second winning of the West.

*Write for interesting booklet, "The Land of Opportunity—Now". Address: Chicago, Burlington & Quincy R. R., Chicago, Ill.; Great Northern Ry., St. Paul, Minn.; or Northern Pacific Ry., St. Paul, Minn.*

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GREAT NORT

Those who cut prices were the only ones who could sell their merchandise.

During the summer of 1922, everyone held out great hopes for the fall. It was believed that the approach of cold weather would stimulate public interest again and that the enormous sales record of the past winter would be duplicated. Jobbers expected dealers to re-order and manufacturers expected jobbers to re-order. Some claimed that the fifteenth of August would mark the beginning of a general revival and that large numbers of orders would be placed at that time. The fifteenth of August came and passed. There was no revival. The fifteenth of September and October came and passed and still no revival.

Those who predicted the revival had little or no idea of the tremendous quantities of surplus material that were available. Every week placed more of it in the market. Banks that had extended credit freely to some of the better manufacturers became anxious, and renewal of credit was made difficult if not impossible. Some of the very strongest fought most bitterly against price reduction. The buying agents of the clearing houses took advantage of their condition and quietly approached them. Some of those who had fought most bitterly against price reduction were forced to let some of their surplus go at a price.

Much promise was held out for the Christmas period. The slogan, "This is a Radio Christmas," was spread far and wide. Although the buying at this period did not meet the expectations, it nevertheless was healthy and helped to relieve the situation to some extent.

#### The Present Condition of Radio

THE present condition of the radio industry is still alarming. Indeed it would seem that a good purifying process has been going on. It has been a matter of the survival of the fittest, although unfortunately a few of the better houses were carried to ruin—not because they had no place in the picture, but because they did not have the financial stamina to hold out. At the present time, many of the manufacturers who have managed to survive still have great volumes of surplus material on hand which they would gladly dispose of at a price, if they could do so without embarrassment.

Those who have watched the radio industry the past few months have been amused at the way much of the business has been carried on. Conversations are held in hushed tones; there are mysterious telephone calls, unsigned telegrams and letters. Agents approach manufacturers with all the caution of bootleggers.

In general the upset condition has been the very best thing that could happen to the industry. Every large industry has its leveling-off period. Radio is now passing through that period and the atmosphere is gradually clearing. Even in the summer months of 1922 there was a very normal business going on. The public is still buying radio apparatus, and buying great quantities of it, but in the past there have been

too many manufacturers, jobbers and dealers.

Radio is far from a craze. It is difficult to estimate the economic importance of a thing that will allow the voice of a single man to be carried to a million ears. Today it is largely a matter of entertainment; tomorrow it will be a utility.

#### What the Real Problem Is

THERE are still many problems of the radio industry that must be worked out, some technical and some commercial. When a phonograph manufacturer sells a machine he opens up another outlet for the sale of records, and he makes more profit on his records than he does on the machine. It is claimed that George Eastman once said that he would give Kodaks away if people would buy his film. However, in radio we have an entirely different state of affairs. When a radio manufacturer sells a receiving instrument he is more or less morally obligated to supply the purchaser with entertainment. This is an obligation that carries with it no little financial responsibility, since it costs between \$50,000 and \$75,000 a year to run a good broadcasting station, and this is a very large country. Here is a condition that is economically unsound. Yet there is no way in which the manufacturer can charge the user for the entertainment he supplies.

Manufacturers of complete outfits have also been worried by the way in which the public has been buying parts for the purpose of building its own sets. The average American family does not have \$100 to \$200 to invest in an assembled radio receiver; consequently the parts are bought piece by piece, a pair of phones this week and a condenser next week, and the outfit assembled according to some newspaper diagram. This is only another way of buying on time, and this business will continue until easy payment plans are developed and financed. The easy payment plan practically made the automobile and phonograph industry. It will make the radio industry as well.

The inevitability of the extended payment plan brings up the question: Who is going to retail radio? It is the personal opinion of the writer that we must look forward to the phonograph dealer, who has not as yet taken his place in the radio industry. He knows the time payment plan; he has the shop and the facilities. He has listening-in rooms that are ideally adapted to radio reception.

We must look upon the year 1922 as the great year of experience in radio. It has taught many severe lessons and has blighted many hopes of those who were in a field they thought would shower them with wealth without effort. Our manufacturers have learned that they must sell programs instead of instruments. They have also learned many new and interesting things about broadcasting and the public likes and dislikes. They know more about advertising than they did, and they are starting to fully appreciate the meaning of standards and general cooperation among themselves. To this end a Radio Apparatus Section has been formed in the Associated Manufacturers of Electrical Supplies, and we also have a National Radio Chamber of Commerce.

The patent angle of the radio industry is still somewhat involved. One big patent pool has been effected, but there are still many infringements that have not been worked out. The pool referred to is that in which the Radio Corporation of America, the Westinghouse Electric & Manufacturing Co., the General Electric Company, the American Telephone & Telegraph Company, the Western Electric Company, and the Wireless Specialty Company participated. This pooling of rights formed a good step forward and prevented the precipitation of a cluster of legal battles similar to those the electrical industry experienced years ago.

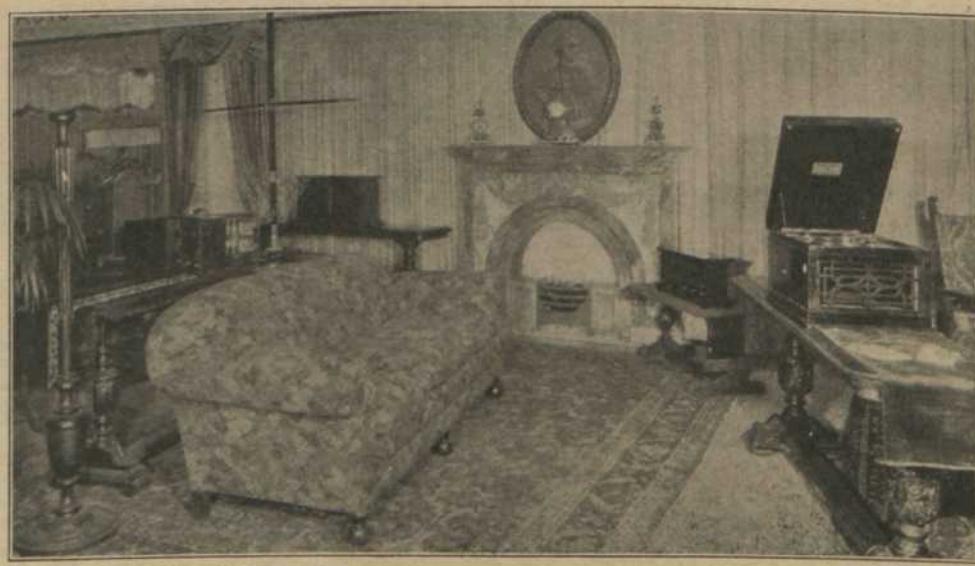
#### The Question of Patents

THERE are still many legal wrinkles to be ironed out in the case of smaller corporations infringing upon the patent rights claimed to be owned by others. In fact, there is an independent group drawing together for the purpose of protection along this line. In the telephone field we still have some very powerful independent manufacturers who have been able to maintain their position only through research work. The improvements that have been made by their research workers have thoroughly justified their existence and recognition, and no doubt the same state of affairs will come to pass in radio.

It is interesting to note the radio situation in England. The manufacturers there started at a time when they had an opportunity to take advantage of the mistakes of others. They formed a broadcasting company in which each recognized manufacturer bought a certain amount of stock.

It is indeed regrettable that the English government saw fit to place a ban upon the importation of American-made radio apparatus for a period of three years. The English market would have supplied the hard-pressed American manufacturers with a ready outlet for their supplies.

We can look forward to the future of the radio industry with high hopes, not only from the standpoint of broadcasting, but from the standpoint of its general commercial application. It is big, and it is here to stay. *And who dares to say what the future will be?*



© Radio Corporation of America

Luxurious simplicity of setting and appointments characterized many of the various exhibits at the Radio Show in New York



## Lighting solved production problems for Society Brand

"Better lighting has eliminated eye-strain and the resultant fatigue among our workers. It has accordingly developed greater efficiency and has augmented production and increased earnings. In a subconscious way it has made for greater satisfaction and contentment among our workers. It is for reasons such as this that we consider correct lighting a question of vital importance".—H. J. Spiesberger, General Manager, Alfred Decker & Cohn, Chicago, Illinois.

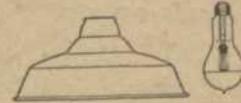
Write for the new book, "Cutting Factory Costs with Lighting", telling how to make inexpensive improvements in lighting and giving you the experience of many manufacturers who have lowered unit labor cost, improved product, and decreased turnover by right lighting. Address National Lamp Works of General Electric Company, Nela Park, Cleveland, Ohio.



Each of these labels represents a Sales Division equipped to give a complete lighting service.

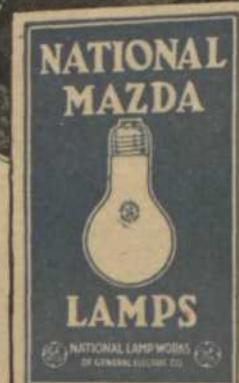
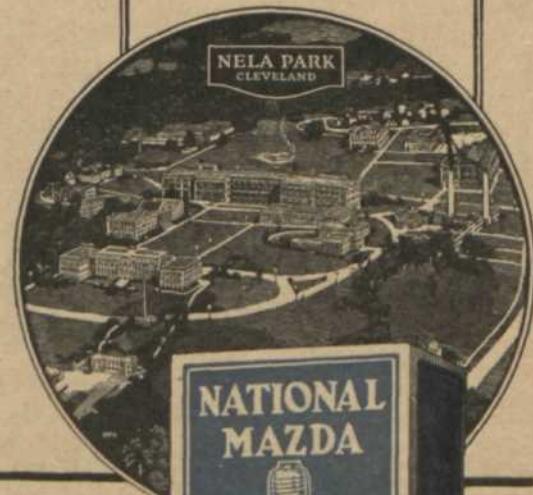
IF your lighting falls short of the specifications of the recipe below in any particular, it's time to think of re-lighting. Ask the man who supplies your National MAZDA lamps for his recommendations.

### How to Light Your Factory



Use 200-watt bowl-enamelled MAZDA lamps in the RLM type metal reflector shown above. Space 10 feet apart.

NELA PARK, Cleveland, is a "university of light" dedicated to improvement in lamps and progress in the art of lighting. It serves 24 factories, 17 Sales Divisions and 15,000 dealers in the production and marketing of 98 million National MAZDA lamps annually for use in homes, offices, factories, stores, streets, railways, flashlights, and automobiles.



# NATIONAL MAZDA LAMPS

# The Sales Quota Problem

By Nelson H. Seubert

ONE OF the most difficult problems a manufacturer has to contend with is that of production quotas for territories. When he has checked off every element that seems to affect this or that territory his salesmen will give him a dozen more which he hasn't taken into the picture.

But when all the elements which play upon distribution have been named over—religion, education, transportation, superstition, climate, or what not—two basic elements stand out as of prime consideration. They are population and income. Given the human animal in great enough density in a certain community with money above the average and you have a consuming power\* in that community which must be reckoned with for a large number of products.

A study of these two elements, of course, will not give any absolute results or formula. As long as individuals are individuals there will be no fixed formula which can be applied universally even to a single product. But certain products common to the needs or desires of practically all human beings already flow very evenly over the country, and for these products the population figures should be a fair measure of the relative potential markets. Other products, because they are very much in the desires of people, generally would have a similar even flow to all territories if people were all equally prosperous.

So, is it not fair to assume that a weighting of these two elements—population and income—will give some measure of the consuming power of communities, at least on those generally needed or desired commodities?

But, as noted above, people and money are not distributed evenly, or anything like it. In some communities, even though the people may be plentiful, the lack of education, lack of transportation, a lazy climate, may express itself in low income, and, while such a community might be an average one for the consumption of low-priced necessities (the common wants of everyone), it would not be worth much as a market for high-priced luxuries.

How, then, can these two known prime elements be related to give at least a working outline for the relative consuming power of communities? Can we not ask a manu-

HERE'S something which looks like a Chinese puzzle. In fact, however, it is the relating of simple fundamental information which we believe ought to interest every Sales Manager. It is an attempt mathematically to improve on sales quotas, often perhaps based on less fundamental information.

We wish that it could be tried out by many Sales Departments. If it is right, we should be glad to know it. If it is wrong, we ought to be told.—THE EDITOR.

facturer, who makes a product taken by the public and distributes it nationally, to appraise his product and determine, before looking at the chart on the opposite page, whether it is a low-priced necessity, a medium-priced necessity, a high-priced necessity, a high-priced luxury, or in just which class he believes his product belongs. In Class I, the low-priced necessity, class, population counts 90 per cent and income counts 10 per cent (because no matter how much of a necessity an article may be the money available for buying will have an influence, and should be set over against the population figures). In

the same way, a high-priced luxury of national distribution should come somewhere near following the figures under Class 9, because that is a weighting of population and income with income counting 90 per cent and population 10 per cent. Here again, though money is the important factor in the luxury products market, still the number of people will be bound to have its effect because of the way the Browns try to keep up with the Smiths.

Here, then, are the various classifications with their corresponding weighting of population and income.

### Ratio

Class 1	Population 9	Income 1
Class 2	Population 8	Income 2
Class 3	Population 7	Income 3
Class 4	Population 6	Income 4
Class 5	Population 5	Income 5
Class 6	Population 4	Income 6
Class 7	Population 3	Income 7
Class 8	Population 2	Income 8
Class 9	Population 1	Income 9

Now, take New York State for example. It will be seen from the table that if you are a manufacturer of household salt, contemplating national distribution, you should sell, roughly, 10 per cent of your product in that territory, while if you manufacture a high grade automobile like the Pierce Arrow you should sell about 16 per cent in New York State.

The outline must be taken only in its most general terms, but it may interest a number of national distributors reading The NATION'S BUSINESS to apply their own class percentages to their last year's sales percentages for the same territory. If the chart contributes only a little to the study of distribution it will have served its purpose.

### The Record Week

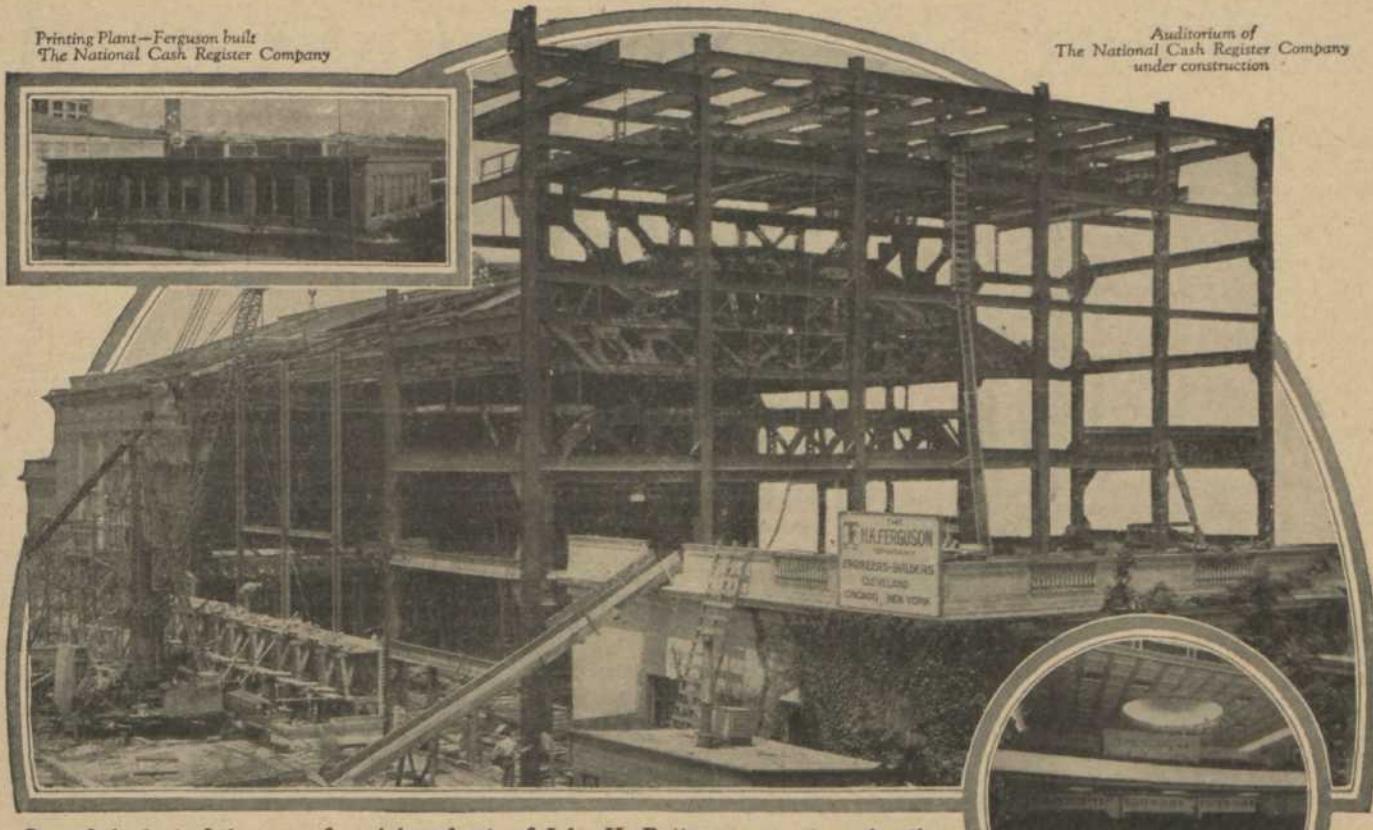
ELEVEN billion dollars means a lot of money. That was the sum total of checks used in 167 centers of the country during the week ended January 3. It is the record for any week since the Federal Reserve Board has been collecting the statistics—that is, since August, 1918. To be sure, this record week included year-end payments. It was a short week, however, containing a holiday.

	Class 1	Class 2	Class 3	Class 4	Class 5	Class 6	Class 7	Class 8	Class 9
Alabama	2.06	1.91	1.75	1.60	1.44	1.28	1.12	.97	.82
Arizona	.30	.30	.29	.29	.29	.29	.29	.28	.28
Arkansas	1.58	1.46	1.34	1.22	1.10	.98	.86	.74	.62
California	3.44	3.68	3.92	4.16	4.40	4.64	4.88	5.12	5.36
Colorado	.90	.90	.91	.91	.91	.91	.91	.92	.92
Connecticut	1.36	1.42	1.48	1.54	1.60	1.66	1.72	1.78	1.84
Delaware	.20	.21	.21	.21	.21	.22	.22	.22	.22
District of Columbia	.46	.50	.55	.60	.65	.70	.74	.79	.83
Florida	.87	.84	.81	.78	.75	.71	.68	.65	.62
Georgia	2.53	2.35	2.18	2.00	1.73	1.56	1.38	1.21	1.13
Idaho	.39	.38	.36	.35	.34	.33	.32	.30	.29
Illinois	6.26	6.43	6.59	6.76	6.92	7.08	7.25	7.41	7.58
Indiana	2.75	2.71	2.66	2.62	2.57	2.52	2.48	2.43	2.39
Iowa	2.34	2.37	2.41	2.44	2.48	2.52	2.55	2.59	2.62
Kansas	1.66	1.62	1.58	1.54	1.49	1.45	1.41	1.37	1.33
Kentucky	2.17	2.05	1.92	1.79	1.67	1.54	1.41	1.28	1.16
Louisiana	1.63	1.56	1.49	1.42	1.35	1.28	1.21	1.14	1.07
Maine	.69	.68	.67	.66	.65	.64	.63	.62	.61
Maryland	1.46	1.53	1.59	1.65	1.71	1.78	1.84	1.90	1.97
Massachusetts	3.82	4.03	4.25	4.46	4.68	4.90	5.11	5.33	5.54
Michigan	3.53	3.55	3.58	3.61	3.64	3.66	3.69	3.72	3.74
Minnesota	2.26	2.22	2.18	2.14	2.10	2.07	2.03	1.99	1.95
Mississippi	1.56	1.43	1.29	1.16	1.02	.89	.75	.62	.48
Missouri	3.11	3.02	2.93	2.84	2.75	2.67	2.58	2.49	2.40
Montana	.50	.49	.49	.48	.48	.48	.47	.47	.46
Nebraska	1.21	1.22	1.23	1.24	1.24	1.25	1.26	1.27	1.28
Nevada	.10	.10	.10	.10	.10	.11	.11	.11	.11
New Hampshire	.40	.40	.41	.41	.41	.41	.41	.42	.42
New Jersey	3.11	3.22	3.34	3.45	3.56	3.67	3.78	3.90	4.01
New Mexico	.29	.27	.26	.24	.23	.22	.20	.19	.17
New York	10.69	11.44	12.16	12.90	13.72	14.46	15.20	15.93	16.63
North Carolina	2.23	2.06	1.89	1.72	1.55	1.37	1.20	1.03	.86
North Dakota	.57	.54	.50	.47	.44	.41	.38	.34	.31
Ohio	5.45	5.51	5.56	5.62	5.67	5.72	5.78	5.83	5.89
Oklahoma	1.84	1.77	1.70	1.64	1.58	1.51	1.45	1.38	1.31
Oregon	.71	.72	.74	.75	.76	.77	.78	.80	.81
Pennsylvania	8.40	8.50	8.61	8.71	8.81	8.91	9.01	9.12	9.22
Rhode Island	.62	.63	.65	.66	.68	.70	.71	.73	.74
South Carolina	1.49	1.37	1.26	1.14	1.03	.92	.80	.69	.57
South Dakota	.58	.57	.55	.54	.52	.50	.49	.47	.46
Tennessee	2.07	1.94	1.81	1.68	1.55	1.42	1.29	1.16	1.03
Texas	4.26	4.13	3.99	3.86	3.72	3.58	3.45	3.31	3.18
Utah	.40	.39	.39	.38	.38	.37	.37	.36	.36
Vermont	.30	.29	.29	.28	.28	.27	.27	.26	.26
Virginia	2.10	1.99	1.89	1.78	1.68	1.57	1.47	1.36	1.26
Washington	1.33	1.36	1.38	1.41	1.44	1.47	1.50	1.52	1.55
West Virginia	1.38	1.36	1.34	1.32	1.31	1.29	1.27	1.25	1.23
Wisconsin	2.43	2.37	2.30	2.24	2.17	2.10	2.04	1.97	1.91
Wyoming	.21	.21	.22	.23	.24	.24	.25	.26	.26

If the territory to be considered is not the entire United States but, for example, the New England States, then the total net personal income of the New England States should be considered as 100 per cent and likewise the total number of possible customer units in New England States should be 100 per cent.

Printing Plant—Ferguson built  
The National Cash Register Company

Auditorium of  
The National Cash Register Company  
under construction



One of the last of the many far-visioned acts of John H. Patterson was to order the enlargement of the N. C. R. Auditorium to serve as an educational and contact center for National Cash Register families. Today it stands as another memorial to a wonderful industrial leader. We of The H. K. Ferguson Co. are proud that the responsibility for plan, design and construction was assigned to us WITHOUT COMPETITION, especially since it shows a customer's faith in us based on thorough acquaintance. Ferguson work already completed for The National Cash Register Co. now totals more than one million dollars.

### The Ferguson Plan

Cumulative experience—planning hundreds of acres of factory floor space—perfected the Ferguson Plan for designing, building and equipping factories complete. You can buy a plant or factory complete—at wholesale—at a fixed price—to be ready on a specified date—from one organization—at one profit.

### Guaranteed Design

Intensive industrial specialization supplemented by checking and control systems which eliminate errors, make possible the Ferguson Guarantee—

*"to save the owner harmless from errors in design or construction and to guarantee for one year against defects in materials and workmanship".*

### Guaranteed Delivery

Accurate material lists—contract purchases—quick shipments from stock—car-tracers—adequate supervision—plenty of men—splendid mechanical construction equipment—all insure the Ferguson Guarantee—on a bonus-and-penalty basis—that your building will be ready for you at a definite date.

### Guaranteed Cost

Buying materials at wholesale—from producers—often in advance of the need—protects you from paying a premium for quick delivery—and makes possible a fixed price for the factory complete, guaranteed by The H. K. Ferguson Company.

Write, wire or 'phone to-day for descriptive illustrated handbook of The Ferguson Plan or a personal interview—(no obligation).

### THE H. K. FERGUSON COMPANY

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6523 Euclid Avenue CLEVELAND Telephone Randolph 6854  
*Design and Construction of Heavy Industrial and Railroad Projects*

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ONE OF AMERICA'S BEST BUILDERS

# Recent Federal Trade Cases

LETTERHEADS of a New York cordage concern representing that it has mills in three cities and that it is the successor to a firm established in 1854 figure in a complaint issued against the concern by the Federal Trade Commission, which charges that those representations are not true because the concern does not manufacture cordage, nor own nor control any factory in which cordage is manufactured, and because the concern is not the successor to the firm indicated on the letterheads.

The commission wants some other questions answered. It says that the New York concern bought rope originally made in the United States, sent to Europe during the World War, and later re-shipped to the United States. This rope, the complaint says, was represented to be first grade pure manila rope, and advertised and sold as such without disclosing to the prospective customers particulars as to the age of the rope and other pertinent facts.

FIVE Texas oil companies which are said to have advertised that they have been on a dividend-paying basis are charged by the commission with making false and misleading statements in connection with the advertisement and sale of oil stock. It is alleged that the companies have at no time had sufficient earnings with which to justify the payment of dividends. Other misrepresentations, the complaint charges, were in connection with the alleged purchase of oil properties, ownership of oil producing wells, and publication of inflated figures concerning oil production.

THE old question of whether it is unfair competition for a concern to pay higher prices for a product at a competitive point than it does for the same product where there is no competition has fresh consideration in charges filed against an Ohio dairy company. In this case the commission avers that the company bought cream for the manufacture of butter at competitive buying stations in Ohio for a greater price than that paid for cream at non-competitive Michigan stations.

This higher price, according to the complaint, caused the company's competitors to discontinue the purchase of cream at the Ohio stations and thereby tended to lessen competition in that region. The company named in the citation has its principal office in Toledo, Ohio, with cream-buying stations in Milan, Michigan, and Bowling Green, Portage, Grand Rapids and Weston, all in Ohio.

A SECTION of the Clayton act is brought to bear on the financial operations of an oil company chartered under the laws of the state of New Jersey. This company has been cited in a formal complaint from the commission, which alleges that the acquisition by this company of a Texas corporation had the following effects: substantially to lessen competition between the firms involved; to restrain commerce in petroleum products in those parts of the country in which the firms are engaged in commerce; to tend to create in the purchasing company a monopoly of commerce in oils, including the products of petroleum.

Some industries affected by cases and complaints described in this article are:

Automobile Tires  
Butter and cream  
Cordage  
Fountain pens  
Oils  
Oil stocks  
Paints  
Portraits  
Stockings  
Telephones

alleged to have sold socks made of part wool and part cotton as "wool sport socks," and this firm also advertised blankets made wholly of cotton as "wool finished blankets." Orders to discontinue the practices outlined have been issued to the three firms by the commission.

THE commission continues to keep a watchful eye on advertising sponsored by oil companies. A Texas company, together with its organizers and promoters, has been ordered to cease from circulating or distributing advertisements or any other written or printed matter whatsoever in connection with the sale or offering for sale of stock or securities in which there may be set forth any false or misleading statements concerning assets, oil production, earnings, income, dividends, progress or prospect of any corporation, association or partnership.

In its investigation of the case, the commission found that in the advertisement and sale of the company's stock, a number of false and misleading representations were made, among which were statements attributing a greater capacity to certain wells of the company than was borne out by the facts, and a statement that the company had paid a so-called dividend on stock sold to the public, when in fact the company was in no financial condition to pay a genuine dividend.

A KANSAS City oil corporation got into trouble with the commission by advertising its oils under a description which did not clearly indicate that they were composed of a combination of high grade and low grade ingredients.

That practice constitutes unfair competition, according to the commission, which has issued an order specifically prohibiting the corporation from using in advertising matter the word "Pennsylvania" or words "Pennsylvania Oils" in connection with the sale of its oil products which are compounds or mixtures of Pennsylvania oil with oil produced in any other state than the state of Pennsylvania, without conspicuously disclosing that such blended oil or oils are not made wholly from oil or oils produced in the state of Pennsylvania.

The commission's investigation revealed that the corporation advertised oils as Pennsylvania oils which were composed of Pennsylvania oil, a high grade oil, and other grades of a lower quality.

A PORTRAIT company, doing business in Chicago, has been ordered by the commission to stop its representations to customers and prospective customers that the usual prices which it receives, or has received, for its portraits are greater than the prices at which similar portraits are offered to such customers or prospective customers when those statements are not true, and from using a trade check or other device in a way directly or indirectly to represent to customers or prospective customers that portraits offered by the company have greater selling prices than the prices at which they are offered, when that statement is untrue.

The inquiry made by the commission developed that the portrait company employs a number of field agents who canvass from house to house to obtain orders for portraits,

The section of the Clayton Act to which reference is made declares "that no corporation . . . shall acquire . . . the whole or any part of the stock or other share capital of another corporation . . . where the effect of such acquisition may be to substantially lessen competition between the corporation whose stock is so acquired that the corporation making the acquisition, or to restrain commerce in any section or community, or tend to create a monopoly of any line of commerce."

SIMULATION of the name and style of a fountain pen manufactured by a competitor is the basis of a complaint filed against two Toledo manufacturers and distributors of fountain pens. They are alleged to have begun the manufacture of a fountain pen shortly after the patent had expired on the pen which had been produced by a competitor, with similarity of style and appearance to the pen on which the patent had expired. It is also charged that their pen was advertised and sold under names in close simulation to the names borne by the competitor's product.

TIRES known to the trade as "seconds" must not be sold to the public as tires of first quality, the commission ruled in ordering a New York tire stores corporation to refrain from certain unfair methods of competition in the advertisement and sale of automobile tires.

In its investigation of the case, the commission found that the corporation bought tires from concerns that could not afford to hold their stock and therefore sold to the corporation at substantially reduced prices. A great quantity of the tires thus bought were "seconds," and in many instances were shown to have been sold by the corporation as tires of first quality.

The order issued by the commission specifically prohibits the corporation from advertising or selling tires as being tires of "strictly first" or "absolutely first" quality unless such terms correctly and properly describe the tires so designated.

CLEVELAND, New York and Washington firms drew prohibitory rulings from the commission in connection with the advertisement and sale of goods improperly described. All three of the firms sold hosiery — two of them used the word "silk" in a way to draw a charge from the commission that the trade and general public might be led into a belief that the hosiery so marked was made entirely of silk; the other firm was



## The Simple Secret of Success

ALL GREAT fundamental principles are, when revealed, simple and easily usable.

The secret, if it is a secret of success is no exception to the rule.

Two words tell it.

Two words comprise the whole story of what's required to win the high rewards in business—tell the qualities that make a man forge easily ahead of other men who in *native* ability appear to be his equal.

And those two words are—*intelligent service*.

All material rewards come in return for service—of one kind or another.

*Intelligent* service naturally commands the *high* rewards.

And the ability to render *truly* Intelligent Service is not born of chance or genius, but is the result of one thing and one thing alone—knowledge.

Barely two decades ago, business knowledge was available only through word of mouth imparting and long years spent in gaining day-to-day experience.

In this day and age, business education enables earnest men to quickly and thoroly equip themselves to render that type of Intelligent Service which commands substantial returns. This business education is now easily accessible thru organized training.

Service staffs comprising more than fifteen hundred people—highly specialized expert groups—every facility that millions in capital and over a decade of experience place at our command, are found at LaSalle. All are concentrated upon equipping the LaSalle student to render service—the kind of service that commands not only income but position and influence as well.

Thru the Problem Method as developed and used by LaSalle he learns to do by doing—by going thru the actual work of the position he is training to fill; thus he enters the bigger task, when it opens to him, with *confidence*, for he knows that he has nothing to face which he has not already met and mastered.

Seasoned, practical, experienced, he has thoroly equipped himself to render—*intelligent service*.

Any concern—any institution—is best judged by its product. And the product of LaSalle is *men*.

Without leaving home, without interfering with their daily tasks, thousands upon thousands of men in every part of the world have received thru LaSalle the specialized training necessary to direct their natural ability into productive channels.

Moreover—as an “unearned increment”—that training has quickened their faculties, broadened their viewpoint, given them an all-round growth in power and mentality.

What LaSalle has to offer the ambitious man—what its members have accomplished from standpoints of rapid promotion and increased earning power—these factors, considered in relation to your *personal* problem of advancement, will clearly point the way.

Are you satisfied—with either your present progress or your future prospects?

Are you in earnest when you say that you wish to realize to the full the added earning power that trained ability to render intelligent service brings?

Your answer to those questions will tell you automatically whether or not you are the kind of man LaSalle can help.

And the information we will forward on request enables you to intelligently exercise your judgment.

*J. J. Chapline*  
President  
LaSalle Extension University

LASALLE EXTENSION UNIVERSITY  
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Upon request, the book “Ten Years’ Promotion In One,” and material completely descriptive of the course and service that interests you, will gladly be sent without cost or obligation. Just indicate your choice by checking, and write below your name and address.

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LA SALLE  
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*The Largest Business Training Institution in the World*

# A Connection of Real Value to the Investor

Men who have learned to make sure-footed progress in their financial affairs know that the services available to them through established relations with a reliable investment house are indispensable. A connection with Halsey, Stuart & Co. adds to the investor's own knowledge and experience these distinct advantages—

- a—The complete facilities of an old, established house in assisting you to gauge security values.
- b—A wide selection in various types of conservative bonds.
- c—Active co-operation in helping you steadily increase your accumulation of bonds, through a convenient and interesting plan of *systematic* investment.
- d—A sincere and continuing interest in your bond investments—expert advice concerning them at all times.
- e—Assurance of our endeavor to help you conform your bond holdings exactly to your requirements.
- f—Facilities for safekeeping of bonds, collection of coupons, assistance with income tax records, efficient service on purchase, sale or exchange of investments, extensive statistical information, etc.
- g—A painstaking service regardless of the amount of your bond purchases—by mail, through our representatives or over the counter.

*Detailed description of the various services you may obtain from Halsey, Stuart & Co., together with information of general interest and value to investors, is contained in our booklet, "Choosing Your Investment House." Let us send you a copy without obligation—write for booklet 264.*

**HALSEY, STUART & CO.**

INCORPORATED

CHICAGO	NEW YORK	BOSTON	PHILADELPHIA
209 S. La Salle St.	14 Wall St.	82 Devonshire St.	Land Title Bldg.
DETROIT	ST. LOUIS	MILWAUKEE	MINNEAPOLIS
Ford Bldg.	Security Bldg.	1st Wis. Nat. Bk. Bldg.	Metropolitan Bk. Bldg.

which the company makes from photographs. During this solicitation, the commission discovered that the company's agents represented that the company did not advertise, but gave its customers the benefit of the advertising saving, and the commission asserts that the company was advertising in farm journals when those representations were made.

Other representations concerning the value of the company's standard portrait, the hand-made quality of portraits, and the use of trade checks to indicate a fictitious value of portraits sold by the company were held by the commission to be misleading.

**T**HE USE of second-hand parts in the manufacture of telephones is condemned by the commission by reason of the manufacturing company's failure to disclose in its advertisements that the instruments contained old or used materials, thereby tending to mislead purchasers and prospective purchasers into the belief that the instruments were entirely new.

A marketable product partly or wholly composed of old or used parts must be plainly so designated to the trade and general public, the commission has ruled with the issuance of an order which prohibits the company from advertising, selling, or offering for sale telephone instruments, equipment and accessories composed of or containing used or second-hand parts, unless it is distinctly stated that the equipment and accessories contain used or second-hand parts.

**T**WO concerns dealing in paints, varnishes, and turpentine outran the facts in their advertising, the commission holds in ordering them to refrain from certain practices. A Richmond concern used the words "Argentine turpentine" in the advertisement and sale of a substitute for Argentine turpentine, says the commission, which adds that a representation of that sort is misleading to the purchasing public by reason of the fact that the commodity designated Argentine turpentine is not turpentine, but a substitute for turpentine.

The order issued to the Richmond concern provides that it must discontinue the use of the words "Argentine turpentine" in the sale of a commodity which is not turpentine and which does not originate in the Argentine, and that the word "turpentine" must not be used in the sale of a commodity which is not turpentine unless accompanied by the word "substitute" as a part of the trade name or brand by which the commodity is sold, the word "substitute" to be as prominently displayed as the word "turpentine."

**A**NOTHER company, with its principal office in Cleveland, was found by the commission to be using advertising in the sale of paints, varnishes and the like, which indicated that those products were manufactured in its own factories in a number of cities throughout the United States, thereby tending to the belief that the cost of a middleman was saved in the purchases from this company.

Two names were borne by this company, but the commission declares that under neither the one nor the other did it own or control any factories.

Under the provisions of the order issued by the commission, the company must stop using statements to the effect that it is a manufacturer unless it actually owns or operates a factory, and it must also discontinue the use of lists of cities in which it says it has factories unless it owns factories in the cities so listed.



From a painting by  
A. L. BIRNSFATHER  
© ARCO 1923

A few of the more prominent hospitals warmed by American Radiators

Peter Brent Brigham Hospital Boston, Mass.  
Trudeau Hospital Saranac Lake, N.Y.  
Fifth Avenue Hospital New York City  
Mt. Sinai Hospital New York City  
Buffalo City Hospital Buffalo, N.Y.  
Pennsylvania Hospital Philadelphia, Pa.  
Jefferson Hospital Philadelphia, Pa.  
Johns Hopkins Hospital Baltimore, Md.  
Allegheny General Hospital Baltimore, Md.  
Columbia Hospital Washington, D.C.  
Cincinnati General Hospital Cincinnati, Ohio  
Cook County Hospital Chicago, Ill.  
Ford Hospital Detroit, Mich.  
Indianapolis City Hospital Indianapolis, Ind.  
St. Joseph's Hospital Kansas City, Mo.  
Barnes Hospital St. Louis, Mo.  
Columbia Hospital Milwaukee, Wis.  
St. Mary's Hospital (Mayo Clinic) Rochester, Minn.  
Virginia Mason Hospital Seattle, Wash.  
St. Luke's Hospital Denver, Colo.  
County Hospital of San Francisco, San Francisco, Cal.

## Into a warm friendly world

**T**HREE may be some hard knocks before you are through, little fellow. But for these first few days of your long trip, at least, you will find the world wonderfully friendly, comfortable and warm.

And we are very proud in having a part in giving you such a welcome—proud that, in so many hospitals, architects and trustees have specified that the warmth shall come from IDEAL Boilers and AMERICAN Radiators.

When you grow up you will make a curious discovery. You will find

that many people who begin their lives in scientifically *warmed* hospitals spend their lives in abominably heated homes.

But you, we believe, will be wiser. You will have an ARCOLA and AMERICAN Radiators in your little home, when you marry; and an IDEAL TYPE A HEAT MACHINE in your larger home, when you prosper, later on.

This, at least, is our wish for you: that your home may always be as warm and friendly as your whole little world is now.

### SPECIAL NOTE (to your father and all fathers):

The little book we publish entitled "Better Warmth and Better Health" tells some very valuable things about the relation of your heating plant to your fam-

ily's happiness. Incidentally, it gives ten definite suggestions for saving coal. It will be sent to you on request, from either address below.

# AMERICAN RADIATOR COMPANY

*IDEAL Boilers and AMERICAN Radiators for every heating need*

104 West 42nd Street, Dept. 55  
NEW YORK

AMERICAN IDEAL  
RADIATORS BOILERS

816 So. Michigan Ave., Dept. 55  
CHICAGO

# The Farmer Is More Cheerful and When He Smiles the World of Manufacturing and Selling Brightens

By ARCHER WALL DOUGLAS

FROM NOW ON till the summer solstice is past, the weather will be the dominant factor in agricultural life, and likewise in the business situation. Of late it has been most favorable, snow and rain prevailing in practically all sections from the Pacific Slope to the Atlantic Seaboard. Thirsty ranges and pastures in the Southwest drank deep of moisture, and growing winter wheat in the dry Great Plains States took on new life.

How much damage winter wheat suffered from lack of rain in Kansas, Nebraska and

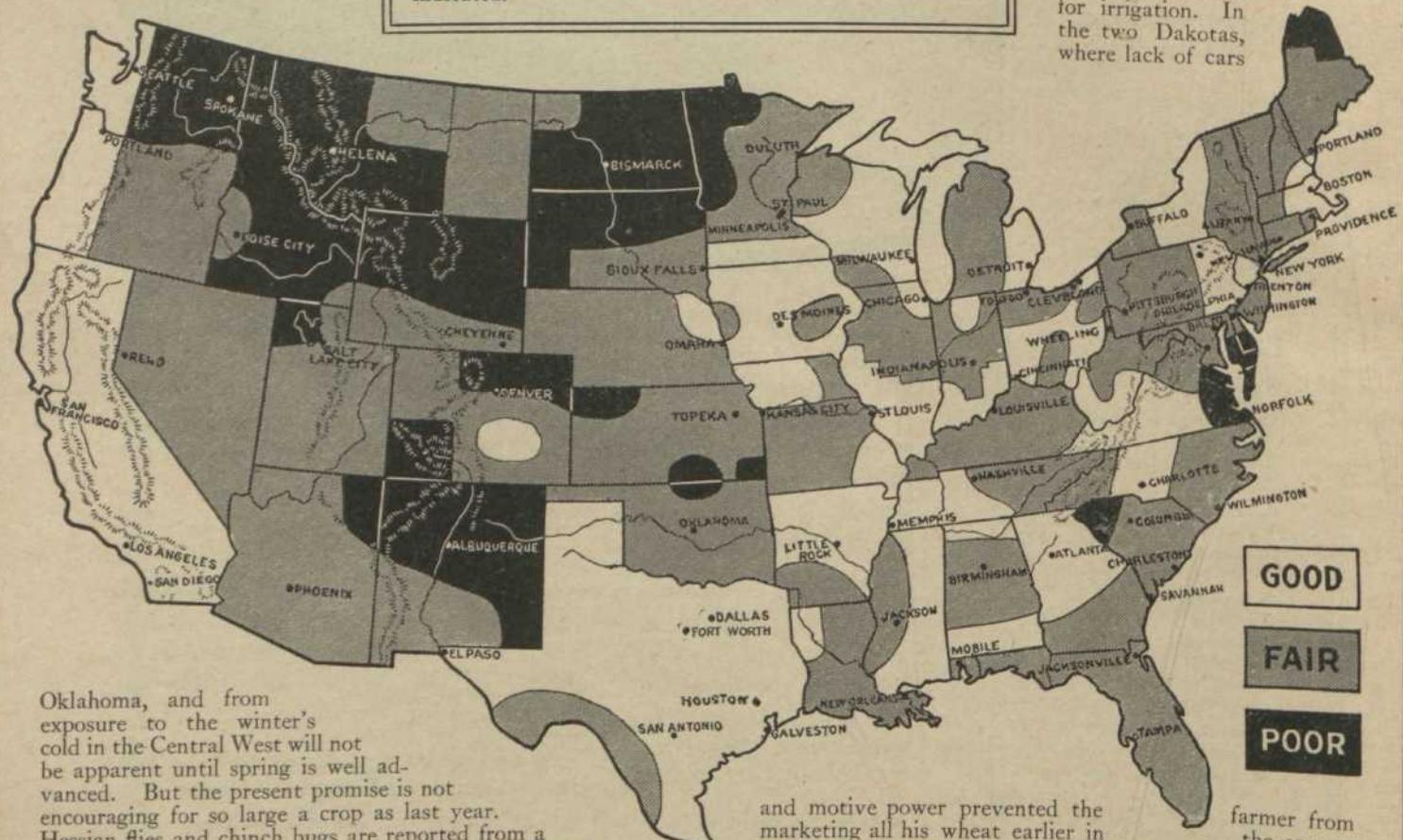
of an oversupply that puts growers back into the trouble from which they have just emerged. Irish potatoes promise to be the only exception this spring to an increased acreage over last season.

Throughout the agricultural sections the feeling of hope and cheerfulness grows apace. The relieving of drought in the dry regions from the Rocky mountains eastward came in time to put new hope into the hearts of the cattlemen, and to put the soil in shape for spring seeding. Heavy snows in the high levels of the Rockies and the Sierras insure plenty of water next summer for irrigation. In the two Dakotas, where lack of cars

## Business Conditions, March 15, 1923

THE DOUGLAS MAP shows at a glance the general conditions of the country. Light areas indicate good crops, industrial activity, and "high pressure" buying markets. In the black areas these conditions are lacking. The shaded areas are half way.

In studying the map it should always be borne in mind that only actual conditions are shown; prospects are not indicated.



Oklahoma, and from exposure to the winter's cold in the Central West will not be apparent until spring is well advanced. But the present promise is not encouraging for so large a crop as last year. Hessian flies and chinch bugs are reported from a number of areas, winter killing has taken toll in several of the principal wheat growing states, and the acreage under cultivation is somewhat less than last year.

Consideration of these facts has done much to sustain the price of wheat despite an apparently large Argentine surplus seeking a market. This is the season when experts engage in guessing contests as to the amount of farm reserves of grain. It is an interesting and harmless amusement with no one ever knowing what the real answer is. The current fairy tale about Russia being again in the grain exporting business found only passing credence.

Plowing and seeding are going on in large measure wherever the weather permits, and all indications point to a heavy acreage of all farm products, especially cotton. This same story comes from every country where cotton is raised. The northward flow of early garden truck has already assumed large proportions. There will also be more sugar cane planted and more sugar beets contracted for than last season.

Those hopeful souls who are trying to stabilize the prices of things, and the buying power of money have a larger and more promising field in the production of agricultural commodities in which every season of remunerative prices is followed by a year

and motive power prevented the marketing all his wheat earlier in the season,

he will now have opportunity of getting higher prices for it. It is also true that lack of transportation was not the sole cause of the low prices that prevailed for wheat in the states mentioned, but the poor quality of some of the grain and the lack of proper grading were contributing reasons.

This hopefulness for the immediate future finds even greater expression in industrial life where activity is rising to steadily higher levels. This is true practically of all forms of manufacturing, which are crowded with orders that they are unable to fill promptly. This last is due to the fact that it takes time to make goods when the rush comes in a flood, and also because labor of the kind that is needed is really scarce.

The situation is a perfectly healthy one so far as it goes, for it is principally the result of depleted stocks of merchandise in the hands of dealers, both wholesale and dealers. Neither of these classes is speculating in any degree, but merely seeking to take care of the immediate and natural wants of the consumer.

In the great cities there are many now employed at good wages who until recently had been idle for months, and practically without purchasing power save for the bare necessities.

Likewise in the countryside, the farmer has been economizing, as only he knows how, for over two years. There is much to be



## Your Permanent Office— Start it NOW!

The offices you admire in "big business" didn't just happen. The leaders in business instinctively turn to ART METAL to provide just the right office equipment to meet every need.

As you have need for new equipment, install ART METAL one piece at a time, thus building toward your ideal office. ART METAL offers a complete line of steel office equipment including everything from a waste basket or desk tray to a steel safe.

You don't have to throw out all your present equipment to build your ideal office. Any single unit of ART METAL will harmonize with whatever equipment you now have.

For the man who requires only a desk or a file, ART METAL is just as important and economical as it is for the big office.

Visit the ART METAL store in your city. Let them show you how little it costs to equip your office for permanence.



*A few of the many national leaders using ART METAL*

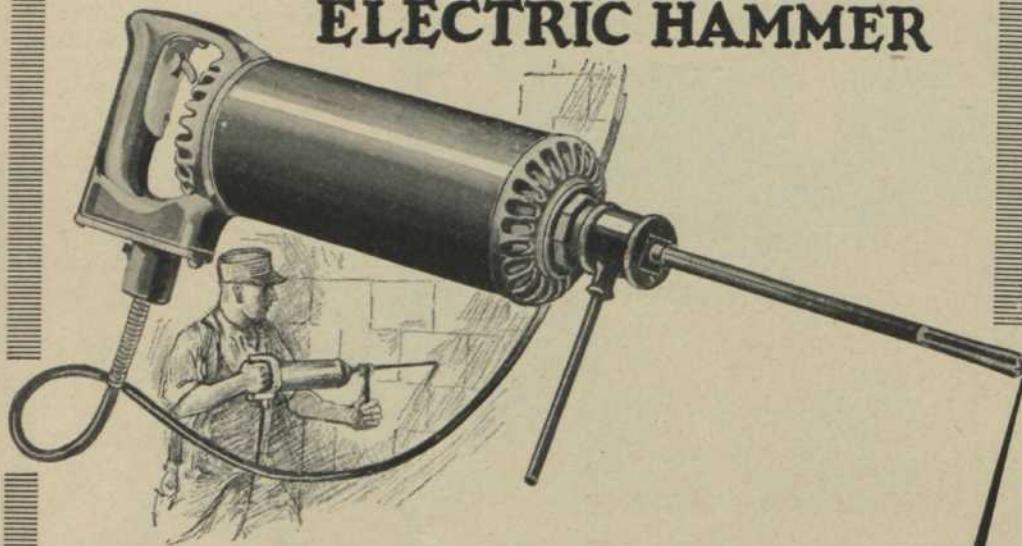
General Electric Company  
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Packard Motor Car Company  
H. W. Johns-Manville Company  
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# Art Metal

JAMESTOWN, NEW YORK

Steel Office Equipment, Safes and Files

# Introducing the SYNTRON ELECTRIC HAMMER



TO any man or company whose business involves drilling or chipping masonry or chipping metal—or who has any use for a power hammer for light riveting on assembly work, the importance of this announcement can hardly be over-estimated.

It means that costly, tedious hand work on such operations can now be eliminated without the purchase and maintenance of heavy, expensive equipment. Any alternating current line furnishes the power. The Syntron Hammer applies that power—successfully.

*It means—specifically—this:*

#### A POWER HAMMER

- so CONVENIENT that it can be carried from place to place like a suit case
- so ADAPTABLE that it can be plugged into an ordinary light socket
- so POWERFUL that it will sink a hole one inch in diameter into hard concrete at the rate of 3 inches a minute
- so SIMPLE that it can't get out of order. The Syntron Hammer has only one moving part, the hardened steel hammer head which flies back and forth in a cylinder. No motor, gears, cranks, eccentrics or connecting rods.

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For any Manufacturer who does light stationary riveting—

For any Company who has use for a convenient, portable power hammer.

replaced on the farm, much that is new that should be bought. Mere replenishment, and the natural consumption of over one hundred million people accounts for the greater part of the present demand, and it will continue until the country is filled up and its hunger appeased.

The building and construction business is typical of the situation. Its enormous activity is due entirely to the necessity created by lack of building during some years of the war, and some years afterward. When the necessity is satisfied, this enormous activity will come to an end, probably tapering down gradually, and its next era of expansion will arise from a very different cause from that which now animates and underlies it.

What is true of manufacturing and building is equally true of mining and of transportation. Nor are these manifestations of activity local and partial, but rather nation wide, or nearly so, in their extent.

One of the interesting and characteristic features of the present good times is that it is concerned mostly about the immediate future, and very little about what may happen some six months from now, and consequently it is not making ventures nor commitments far ahead. Also it continues to leave Europe largely out of its calculations for the time being.

#### If You Are a Policy Holder—

DOES THE business man desire to know more about the insurance protection he buys? A leaflet entitled "If You Are a Policyholder," recently distributed to members of the National Chamber, brings the answer. Since its issuance, requests from all parts of the United States have been received for publications of the Insurance Department. Almost 50 per cent of these were from manufacturing concerns and approximately 40 per cent from mercantile, transportation and miscellaneous businesses.

THE heaviest demand was for the Insurance Bulletin. This bulletin is prepared for the policyholder and is obtainable through your chamber of commerce or trade association. It contains non-technical articles designed to acquaint the insured with the provisions of his insurance contracts, the insurance services to which he is entitled and the important position which the institution of insurance occupies in our national economic structure. The relationship of legislation and taxation to the welfare of insurance buyers is stressed in order that the business man may know he pays for injudicious laws which his representatives place on the statute books. The policyholder's attention is especially directed to conditions prevailing in his own locality, and where these are unfavorable he is encouraged to take definite action for their improvement through his chamber of commerce or trade association.

THE Insurance Department of the National Chamber is actively cooperating with member organizations. Besides supplying a regular insurance service and aiding with their local activities, it refers important problems confronting them to its Advisory Committee. This committee is composed of prominent insurance executives and other outstanding figures in the insurance field. Already, it has rendered valuable assistance in meeting many of the major problems affecting business men.

## The Nation's Transportation Problem

By A. B. BARBER

THE Chamber of Commerce of the United States is forming a general conference for the consideration of national transportation needs. The American people have never been more keenly alive to the great need and opportunity for improving our transportation system than they are today. Suggestions come from every part of the country. There is no question that in some respects our railways have fallen behind in developing with the ever-expanding demands of business—and that, if they are not soon enabled to resume a normal expansion, disaster will follow. On the other hand, our transportation system is admittedly the best in the world today, better than that of any other country. For example, last fall, during the movement of crops, we experienced a car shortage and protested vigorously. Yet in Europe each fall is always expected to bring serious car shortages and the people accept embargoes as inevitable at that season. Why then this nation-wide apprehension regarding our national transportation?

Both future and immediate needs are to be considered. For the future it is the question of adequate expansion just mentioned. In the more immediate present it is the characteristic national demand for improvement.

### What Are the Needs?

THE chief needs are, first, a real re-establishment of railway credit; second, greater cooperation between the various agencies of transportation—rail, motor, electric railways, waterways.

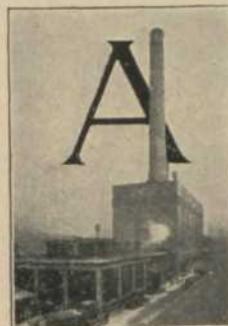
There remain other important questions: the rate structure which the initiated regard as an accumulation of inconsistencies, and the question of railway labor, a subject somewhat beyond the scope of the present article. It is enough to say that the railway worker has in the past established a remarkably fine record of devotion and ability—a record which the keen sense of the American people is likely to use as the standard of performance to be expected of the worker in the future.

In view of the interest of American business in the subject it is well to outline the steps which are being taken by the Chamber of Commerce of the United States regarding our national transportation system. At the meeting of the Board of Directors at Galveston, November 23-4, 1922, President Barnes was authorized to call an informal conference for the consideration of transportation problems. At this conference in New York, January 26, were present: President Barnes presiding, Secretary of Commerce Hoover, Mr. Carl Gray, chairman of the Transportation and Communication Department Committee of the Chamber; Mr. Geo. A. Post, chairman of the Railroad Committee; Mr. W. L. Clause, chairman of the Waterways Committee; and several leading representatives of the railways, the motor industry, and waterway interests.

An earnest discussion of transportation needs took place. All agreed as to the large possibilities for greater cooperation between the different transportation agencies. All recognized that the feeling of competition which has seemed to prevail between the different types of carriers—for example, between the motor truck and the railway—was largely unnecessary and artificial, and

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We have designed and built industrial power plants of all sizes and types for a wide variety of industries and as indicated by the Pierce-Arrow statement, we work with you and for you, and this method of combining our broad, general experience with clients' specific experience accounts for the uniformly successful results of our industrial power work.

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## Bringing together two groups of specialists in the two great fields of banking

*The consolidation of the Irving Bank and Columbia Trust Company typifies a new trend in modern banking*

THE Irving Bank - Columbia Trust Company announces to its depositors the beginning of operations under its consolidated name as of the close of business February 7th.

At the service of the depositors, those outside as well as in New York City, will be the combined resources, the combined experience and the combined services and facilities of two groups of banking specialists, long established in their specific fields.

The former Columbia Trust Company contributes, among other things, the ripe experience of long years of specialization in trust services—personal and corporate. For a generation it has been identified as one of the leading factors in the development of these services.

The former Irving Bank contributes the accumulated experience of more than seventy years of specialization in commercial banking. Step by step for nearly three-quarters of a century it has kept pace with the growth of American business—developing many highly specialized services which make it possible to handle with speed and with accuracy all commercial transactions—national or international.

Depositors of the two former institutions will thus have at their command an exceptionally well-balanced service which will combine the knowledge, experience and skill of both organizations and insure all facilities for meeting every banking need.

### IRVING BANK - COLUMBIA TRUST COMPANY

MEMBER FEDERAL RESERVE SYSTEM

NEW YORK CITY

that cooperation is in the interest of all parties.

The really striking feature of the discussion was that those most emphatic in their desire to see inaugurated a movement for fair and adequate treatment of the railways were not the railway representatives, but the others present at the conference.

In the conviction that a new day is dawning in the treatment of our transportation problems, the conference unanimously requested the president of the Chamber of Commerce of the United States to undertake at once

"a comprehensive study of the whole question of national transportation, participated in by the railways, shipping interests, producers, the motor industry, waterway operators, and the public, and with cooperation by governmental representatives, to assure adequate transportation for our ever-expanding domestic and foreign commerce."

### To Be Investigated

As requested by the conference the subjects specially to be investigated are:

1. Governmental Relations to Transportation;
2. Railroad Consolidations;
3. Readjustment of Relative Freight Rate Schedules;
4. Relation of Highways and Motor Transport to other Transportation Agencies;
5. Development of Waterways and Coordination of Rail and Waterway Service, and, in addition, any other phases of nationwide transportation development.

These are not new questions. They were to a large extent studied by the National Transportation Conference held under the auspices of the National Chamber during the period from December, 1918, to June, 1919. A great step forward toward their solution, particularly with respect to the railways, was taken in the Transportation Act of 1920.

That constructive piece of legislation was the first on our statute books which, instead of regarding the railways as predatory interests requiring repressive regulation, recognized them as a vital part of the national transportation system, requiring adequate public support and upbuilding in the public interest. It contains many provisions designed to carry out this purpose. Some of these provisions have been executed, some remain unfulfilled, still more are in process of execution and have not yet had time to produce results.

In the formulation of the Transportation Act our national legislators called to their assistance the best brains of our country—bankers, farmers, manufacturers, shippers, representatives of the railways, representatives of labor, government and state officials, engineers and economists, lawyers and representatives of public organizations. The result was a law which is generally recognized as the best railway legislation ever adopted by Congress.

Three years have now elapsed. The remarkable recovery of our railways and the enormous tonnage handled during this fall and winter demonstrate their vitality. Yet all concerned agree that their facilities are inadequate—that they are still working under unnecessary and unwarranted handicaps. It is time for a review of the situation of our railways and of the action needed to insure prompt execution of the adopted policy in relation to them.

The National Transportation Conference concerned itself chiefly with urgent phases of the railway situation and did not go into

detail in regard to water or highway transportation, or the cooperation of these agencies with the railways. It did, however, appreciate the importance of these questions and recommended further action with a view to their comprehensive consideration.

These recommendations were endorsed by an overwhelming referendum vote of the National Chamber. It is interesting to note some of the statements of the Chamber's committee:

"The development of a national system of transportation is a public necessity. Up to the present time the steam and electric railways, the waterways and highways have been developed separately without reference to a common plan and without thought of creating, from the various agencies of transportation, a unified system.

The time has come when the waterways of the country as a whole should be systematically developed according to a definite plan. Their larger use should be made possible by connecting them with the railroads at river, lake and ocean ports and by enabling shippers to send their traffic by the most economical combination of rail and water routes.

The work which the Railroad Administration has so happily begun of providing for the traffic use of important rivers and canals, and of articulating the railroads with the waterways in a traffic sense, should be continued after the railroads have been returned to their owners.

The development of highway transport should be facilitated with a view to the coordinated use of all transportation agencies. While the people of the United States have been creating an exceptionally economical system of transportation by rail, highways have been relatively neglected and the expenses of carrying freight to and from the railroads are, in most instances, greater than the cost of the railroad haul. The systematic development and the organized use of hard-surface highways greatly reduce the transportation burdens borne by the people of the United States."

#### Cooperation Advocated

PROVISIONS were included in the Transportation Act asserting the national interest in rail-water cooperation and some advances in this direction have been made. It is evident, however, that a wider development of cooperation is necessary, including the other transportation agencies concerned. It is evident that the larger part of this cooperation does not depend upon legislation, but should be worked out in a cooperative way by the several transportation interests, with the aid and under the pressure of the producers, shippers and consumers who foot the bills—and who thrive or suffer according to the adequacy of our national transportation.

In preparation for consideration by a general committee on all phases of the transportation problem, special committees to consider each of the five subjects outlined above are now being formed under a plan laid down by President Barnes before his departure for Europe to attend the meeting of the International Chamber of Commerce at Rome. The special committees will work out the data required for a full understanding, develop the feasible plans, and where possible arrive at advisory conclusions. The purpose is to clear the ground thoroughly so that the general committee will be in a position to take up each subject without going through all the preliminary work. The special committees' preparatory work should thus serve to facilitate the work of the general committee and to expedite the final conclusions on the best ways of meeting our national transportation needs.



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## Government Aids to Business

A GENERAL study of methods of prospecting for oil and gas has been completed by the Bureau of Mines, which estimates that in the search for petroleum probably \$30,000,000 is spent yearly in the United States on drilling operations which bring nothing more than dry holes in the ground. In a period of two years, the bureau says, 5,814 dry holes were drilled in this country at an average cost of at least \$10,000 a hole. Of all the oil-producing states, California and New York show the lowest percentage of dry holes, with Texas assigned the highest percentage of dry holes because of the prevalence of "wildcat" drilling, the bureau asserts.

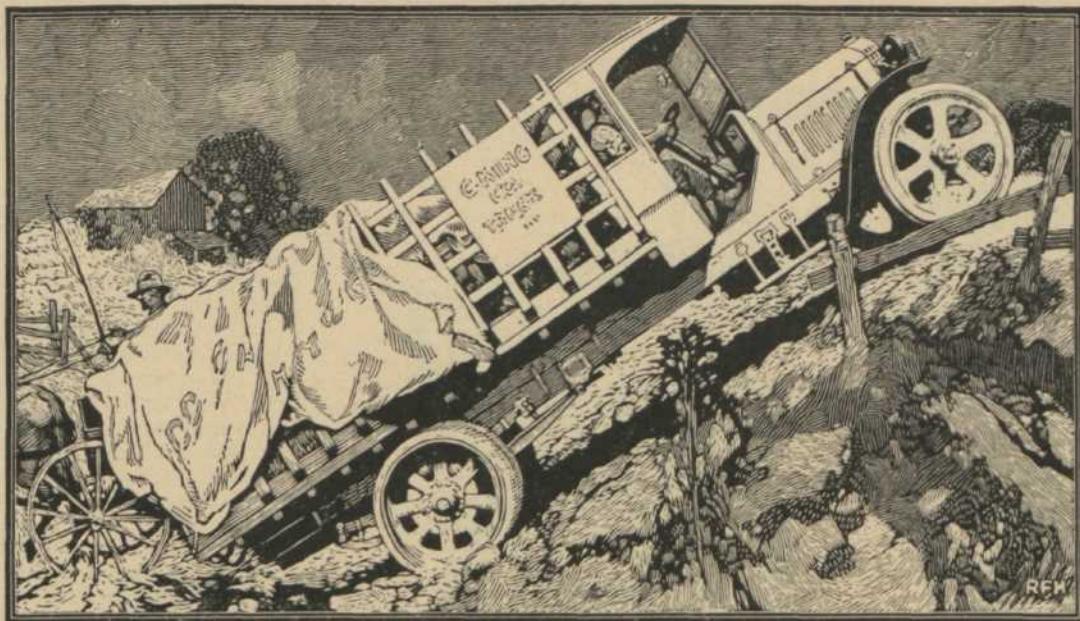
The bureau points out the widespread tendency to look for the "easy" oil, an inclination that expresses itself in drilling for gushers which yield big returns for a time despite any mechanical defects of drilling methods. This quest for gushers, the bureau adds, has blinded drillers to oil-strata of comparatively small yield and they have also overlooked rich oil zones in proved fields. Failure to develop operations beyond the hole-in-the-ground stage has resulted in the ruin of entire fields by water.

A look into the future suggests to the bureau that probably as production costs increase, less oil will be wasted, but the need to develop and produce oil from sands of low yield will become more urgent with the increase in consumption of oil and the decrease of its supply. Unlike mining developments, there is no possibility of salvaging oil from earlier wasteful operations through later and better methods of treatment—the wasted oil and gas are gone, as are the time, money, and effort consumed in ill-advised or haphazard drilling. The results of the study of the Bureau of Mines are given in Bulletin 201, which may be obtained from the Superintendent of Documents, Washington, D. C., for 25 cents.

A natural gas manual for the home has been published by the Bureau of Mines under the designation of Technical Paper 325, which carries a warning to watch out for leaks. Small leaks in house piping and appliances

waste more gas than is usually realized, says the bureau, as a leak wastes gas every minute of the day, and a leakage of one cubic foot per hour means 8,760 cubic feet a year. The danger of explosions and fires from leaks is emphasized by the bureau.

The detection of leaks by means of the meter dials is indicated in the paper. Most gas meters have a small dial indicating one-half, one, or two cubic feet of gas per revolution of the hand, and one of the uses of the dials is to detect leakage. From time to time, consumers should shut off all appliances and note whether the hand on the meter dial moves during a period of two or three hours. The hand will not move unless gas is passing through the meter, so that if the hand continues to move after the appliances are shut off it is conclusive evidence that gas is leaking somewhere on the premises. Gas leaks may be found by brushing the pipe and appliances with soapy water, for escaping gas will form bubbles. The bureau suggests that leaks may be stopped temporarily by covering them with soap and then wrapping the pipe with tape or cloth, but a pipefitter should be called immediately to make permanent repairs.



## GMC Solves the "Pulling" Problem

*The Famous GMC Two-Range Transmission Makes Motor Truck Haulage Possible on Any Road Where Wheels Can Get Traction*

The surplus of economical pulling power that the now famous GMC Two-Range Transmission produces at the wheels of GMC trucks has provided motor truck operators with a solution of one of their costliest problems.

Heretofore profitable transportation of freight by truck has often been limited by a single stretch of bad road, a steep hill or some other physical obstacle. Furnishing sufficient pulling power to pass this obstacle could be done only at a sacrifice of road speed that made the haul on good roads too slow and expensive.

The GMC Two-Range Transmission has overcome this difficulty by producing new

and greater pulling power in a chassis which also has a road speed even faster than trucks of like capacity have had before. Moreover, this power is furnished from an engine of economical size, operating at a properly governed speed, and in a gradation of steps that affords the proper pace and pull for every possible situation.

There is practically no limit to the radius of a GMC equipped with the Two-Range Transmission except when wheels cannot get traction. Nor can any estimate be made of the possibilities that this revolutionary step forward in motor truck design has opened to the haulers of all kinds of commodities.

**GENERAL MOTORS TRUCK COMPANY**—Pontiac, Michigan  
*Division of General Motors Corporation*

*GMC Truck Chassis list as follows: One Ton, \$1295; Two Ton, \$2375; Three and One-half Ton, \$3600; Five Ton, \$3950; Five Ton Tractor, \$2450; Ten Ton Truck Tractor, \$3700; Fifteen Ton Tractor, \$4050; all prices for Chassis only at the factory, tax to be added.*

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Moderate estimates place the production of potash obtainable from the New Jersey greensands at 256,953,000 short tons, enough to meet the needs of the United States for nearly a thousand years, asserts the Geological Survey

in Bulletin 727, entitled "Potash in the Greensands of New Jersey." The bulletin includes several maps and illustrations, numerous mechanical and chemical analyses of greensand and an account of its commercial development and use, with notes on the possibility of further development.

The extraction of potash from greensand has been considered commercially impracticable because the mineral in which the potash is bound up—glaucite, a silicate of potassium and iron—is relatively insoluble. Many experiments have been made in recent years with a view to devising a process of extracting potash from silicates, and the greensand marls of New Jersey have attracted attention because of their accessibility and abundance and the relative ease with which they may be mined.

The scarcity of potash caused by the shutting out of German supplies during the World War gave impetus to these experiments, and encouraged the hope that a potash industry might be established in the United States, in which event the New Jersey greensands would be highly valuable in the manufacture of fertilizer.

No companies are now producing potash from New Jersey greensand, although several companies have undertaken production and some of them have marketed small quantities.

The Department of Agriculture Yearbook for 1922 will be issued this spring much earlier, it is hoped, than in previous years. The book will contain comprehensive articles on

Agricultural  
Year Book  
On the Way  
hog production and marketing, the dairy industry, history and status of tobacco culture, the small grains other than wheat, the annual report of the Secretary of Agriculture, and statistical summaries of various farm operations.

The 1921 yearbook contains the secretary's annual report, statistical reports on agriculture in general, and four comprehensive articles on corn, wheat, cotton, and beef cattle, which were considered from economic and historical viewpoints. Earlier yearbooks have contained a large number of articles, none of which treated any subject comprehensively.

Copies of the 1921 edition may be obtained by applying to senators or representatives, each of whom had a considerable number of copies available for distribution. The Department of Agriculture buys a limited supply of copies of the yearbook for distribution to its employees and cooperators.

Recent publications of the Department of Agriculture which may prove of interest to the business community include a study of the organization, financing, and management of farmers' telephone companies, issued as Farmers' Bulletin 1245; and a study of sales methods and policies of a growers' national marketing agency, issued as Department Bulletin 1109.

The bulletin on telephone companies was written to give information that would as-

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These policies have been developed out of experience and study to a high degree of perfection. The Equities and Options are clearly set forth so that the Policyholder is able to determine just where he stands when he becomes a Member of this Company.

Everything embodied in the contract has been tested by time, and the rights of the policyholders carefully conserved on every point.

By the terms of the Contract ALL JOHN HANCOCK Policyholders are entitled to participate in such Distributions of Surplus as may be declared annually.

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M.T.

sist in the extension of telephone service to rural districts now without it, and in the improvement of existing rural service where improvement is needed. A copy of this bulletin may be had, free of charge, on application to the Chief of the Division of Publications, Department of Agriculture.

The sales methods and policies discussed in Bulletin 1109 relate to the organization and achievements of a cooperative marketing agency established by cranberry growers of the United States. Although this bulletin deals specifically with the marketing of cranberries by cooperative methods, it is not written for the cranberry grower alone. It is addressed to all growers interested in successful marketing methods; it deals with the economic and not the legal aspects of the subject. This bulletin may be obtained for 10 cents on application to the Superintendent of Documents, Government Printing Office, Washington, D. C.

Information regarding the seventh semi-annual motor gasoline survey made by the

Bureau of Mines is now available in Serial 2444, Gasoline Better, Says Annual Survey

which may be obtained from the Bureau of Mines, Washington, D. C. This survey included the cities of New York, Washington, Pittsburgh, Chicago, New Orleans, St. Louis, Denver, Salt Lake City, San Francisco, and Bartlesville, Oklahoma. According to the survey, the increase in volatility of gasoline, noted six months ago, is still present in the average gasoline, indicating that it is easier to vaporize with consequent quicker starting of motors in cold weather.

A greater uniformity in the character of gasoline marketed in the United States was also disclosed by the investigation, that is, gasolines bought throughout the country are more nearly similar than the samples tested in earlier surveys. Seasonal variations from summer to winter gasolines are slowly decreasing, the bureau finds. Of 129 samples of gasoline collected from the ten cities mentioned above, 56 samples failed to meet federal specifications, with New York the only city in which all gasoline samples passed federal specifications in all the requirements.

Technical Paper 323, published by the Bureau of Mines, contains federal specifications and testing methods covering various petroleum products, including motor gasoline, aviation gasoline, naphtha, kerosene, light-

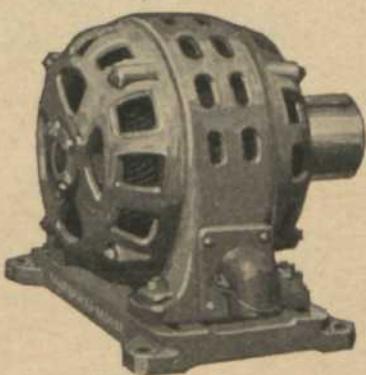
house kerosene, signal oil, fuel oils, fuel oil for Diesel engines, bunker fuel oil, and lubricants. Under the category of lubricants are included special specifications for aircraft machine-gun oil, car and locomotive oil, cup grease, Diesel engine lubricating oil, floor oil, gun and ice-making oil, paraffin wax, electric switch oil, rust preventing compounds and the like.

The testing methods relate to color tests, cloud and pour tests, determination of viscosity, melting points, flash points, water and sediment, sulphur, and other properties.

The specifications presented in the paper were recommended by the Interdepartmental Petroleum Specifications Committee, and have been officially adopted by the Federal Specifications Board for the use of the departments and independent establishments of the Government in the purchase of materials. Representatives of engineering and technical societies aided the committee in the prepara-

FAIRBANKS-MORSE

ball bearing motors

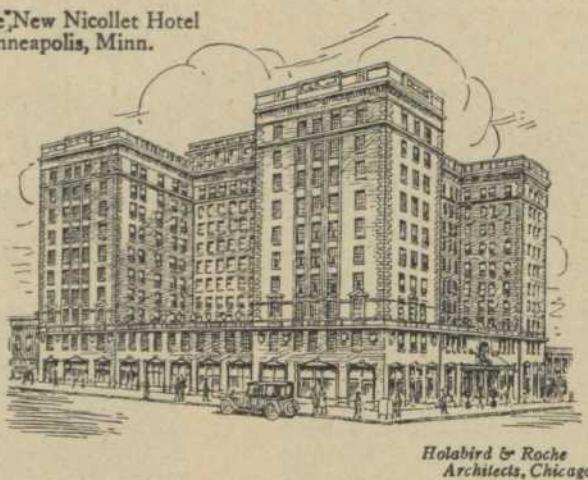


—built by pioneer manufacturers of ball-bearing motors, with eleven years' successful experience. These more efficient motors lessen friction losses—reduce current consumption—lower production costs

FAIRBANKS, MORSE & Co.  
CHICAGO, Pioneer Manufacturers

of  
ball bearing motors

The New Nicollet Hotel  
Minneapolis, Minn.



Holabird & Roche  
Architects, Chicago

## When Minneapolis Needed This New Hotel

- ¶ Knowing one's limitations is wisdom.
- ¶ Minneapolis knew she needed a new, distinctive hotel of 635 rooms.
- ¶ She knew such a hotel would cost \$3,500,000.
- ¶ She knew, too, she could not afford to fail—for one failure in such a financial project means the loss of that project!
- ¶ So, Minneapolis played safe by calling in The Hockenbury System Incorporated to direct the financing of their New Hotel.
- ¶ One week and the job was done!
- ¶ Has your city a hotel financial problem?
- ¶ Have you read "Modern Hotel Financing"?
- ¶ It's an interesting story on an interesting subject. Your copy is waiting. It's free!

*The Hockenbury System Incorporated*  
Penn-Harris Trust Bldg., Harrisburg, Penna.

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**CONSTRUCTION**  
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Widmer Engineers have standardized and applied the most highly approved shop methods to the building business. Every phase of your building program—from the initial designing to completion and equipment of the building will be in the hands of this Master Organization.

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tion of the specifications. Technical Paper 323 is obtainable from the Superintendent of Documents, Washington, D. C., for 10 cents.

A list of publications on ceramic investigations of the Bureau of Mines has been published under the designation of Serial 2437, which may be obtained from the Bureau of Mines, Washington D. C.

Publications on Ceramics, Washington D. C. This serial lists articles on ceramic topics contributed by members of the Bureau of Mines staff to various technical journals, and also the publications on ceramics issued by the bureau.

Advance monthly statements of the exports of paper from the United States are now available on application to the Department of Commerce. The Paper Division of the Bureau of Foreign and Domestic Commerce began is-

sueance in January of a series of mimeographed monthly reports. The following categories are included in the reports: 4,711, newsprint, book, and surface coated paper; 4,721, greaseproof and waterproof, kraft, and other wrapping paper; 4,733 paper board and strawboard, and bristols and bristol board; 4,724, writing paper, envelopes, papeteries, and cover paper. Each item shows the countries of destination. The statements are mailed as soon as they can be compiled from the custom house reports, and go out before the regular printed Monthly Summary of Foreign and Domestic Commerce. Business men may be listed to receive these statements on request to the Paper Division of the Department of Commerce.

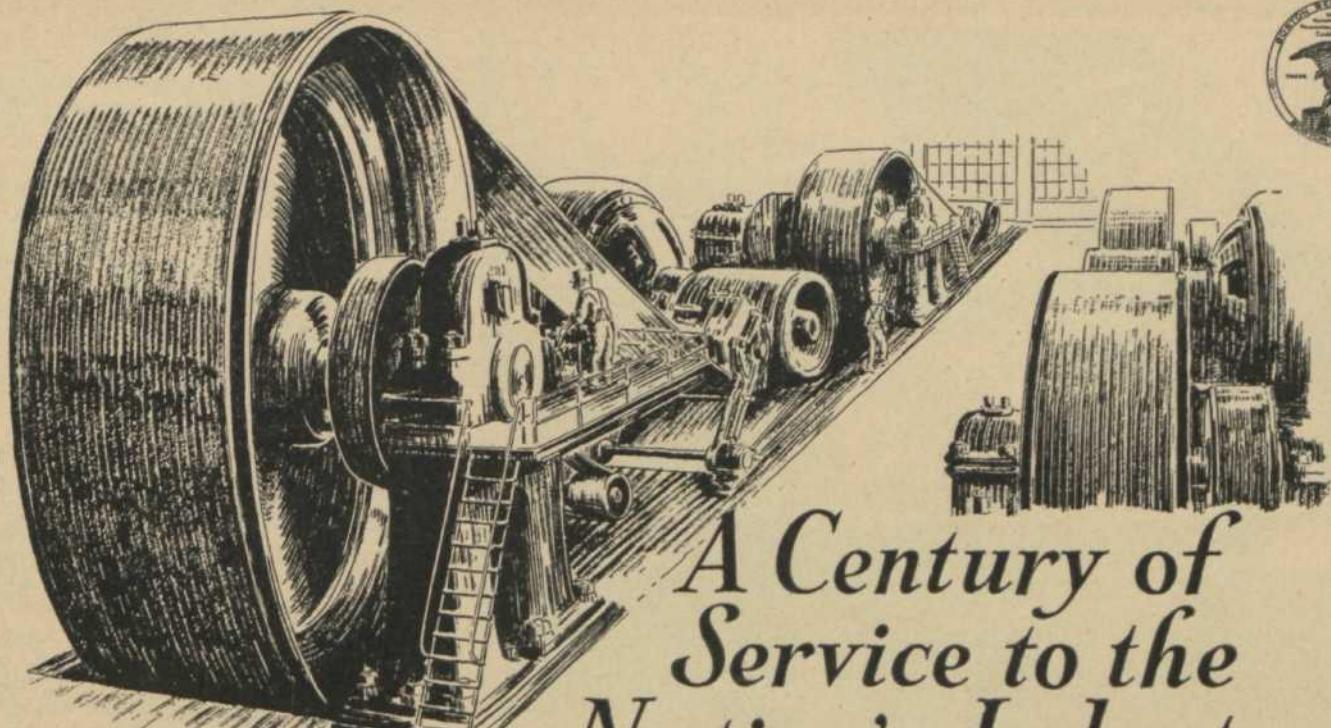
A complete list of municipalities which had building-zone regulations in force on January 1, 1923, together with references to the state acts under

Building-zone Regulations which zoning is permitted, may be obtained from the Division of Building and Housing of the Department of Commerce, which also has available for distribution such related pamphlets as "A Zoning Primer," explaining in popular style the elements of zoning, and "A Standard State Zoning Enabling Act," a model act for the assistance of states in preparing laws permitting city zoning.

Important decisions of courts and opinions of the Attorney General affecting labor are reviewed in Bulletin 309, issued by the Bureau of Labor Statistics, Department of Labor.

The review covers the year 1921, and gives a digest of 250 cases illustrative of the principles under consideration from time to time. One-half of these cases grew out of the administration of workmen's compensation laws; thirty-seven cases relate to labor organizations, their status, activities and the like; twelve cases involve interpretations of the federal statute on railroad service; four cases are considered under minimum wage laws.

Most of the cases presented in the bulletin are taken from the state courts of last resort and the federal courts, although a few decisions from courts of secondary rank are included. None of the cases is reported fully, but a summary statement introduces



## *A Century of Service to the Nation's Industry*

FOR a century, rubber goods bearing the trade-mark of the Boston Belting Company, have aided in the extraordinary progress of the nation's industry.

The history of the Boston Belting Company, since 1828, is virtually the history of mechanical rubber goods. In the original company's plant Charles Goodyear made many of his early experiments. In the same factory his brothers assisted in establishing the Goodyear Manufacturing Company, which firm was changed to the Boston Belting Company in 1847.

1828

The Boston Belting Company were pioneers in the manufacture of mechanical rubber goods. Rubber belting, rubber rolls, rubber hose, packing and corrugated matting are now the chief products of this progressive firm. The quality of these mechanical rubber goods has been brought to an unusually high standard by the combination of a century of experience with the most modern manufacturing practices and equipment.

1923

Every year of the company's existence has been a step forward, until now their products—and their exclusive manufacturing methods—represent the highest development in the production of mechanical rubber goods.

When you purchase your next rubber belting or other mechanical rubber goods, look for the imprint of the Boston Belting Company. Make it your guide-post to quality and value.

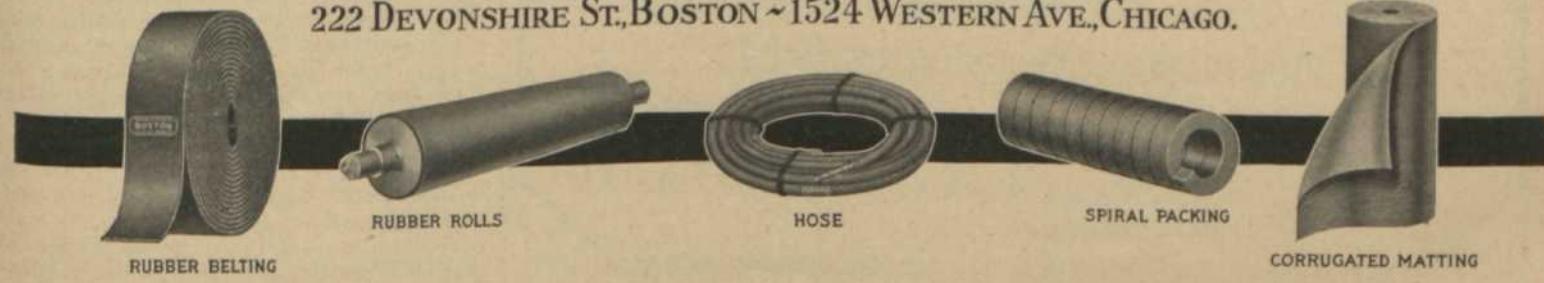
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through years of analytical study the factors which make certain Government, State, Municipal, Railway, Public Utility and Industrial Bonds more desirable than others.

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Do you want a Cross-Reference INDEX  
of the articles which appeared in  
The NATION'S BUSINESS  
during the entire year of 1922?

You may have a copy free if you will write for it.

The NATION'S BUSINESS  
Washington, D. C.

quotations from the language of the courts in such way as to facilitate a clear understanding of the questions at issue. The bulletin contains 346 pages of text and a well-arranged index. Copies may be obtained from the Bureau of Labor Statistics, Department of Labor.

Gas companies should find useful information in Technologic Paper No. 222, prepared by the Bureau of Standards and for sale by the Superintendent of Documents, Government Printing Office, at 25 cents a copy. The

paper discusses the relative usefulness of gases of different heating values, and the adjustment of burners for changes in heating value and specific gravity. The report gives the results of laboratory tests conducted at the request of the Public Service Commission of Maryland, and it shows how much the mixture may be varied in composition and heating value while still giving satisfactory service in the average appliance.

The United States Tariff Commission has compiled a reference book of 400 pages entitled "Comparison of

Tariff Acts  
Compared By  
Commission

act of 1922, together with the corresponding provisions of the tariff acts of 1909 and 1913. The order of sequence of the items is that of the act of 1922. Directly below each paragraph of this act are placed in parallel columns the corresponding paragraphs or parts of paragraphs of the acts of 1909 and 1913. The provisions of special tariff acts subsequent to that of 1913, including the act of 1916 and the emergency tariff act of 1921, are indicated in footnotes to the items affected. Copies of the book may be obtained from the Superintendent of Documents, Government Printing Office, at 30 cents each.

The salient features of consumers' cooperative societies which were in business in the

United States during  
Labor Bureau  
Reports On  
Cooperatives

the year 1920 are presented in Bulletin 313, issued by the Bureau of Labor Statistics. The report covers 1,009 cooperative retail societies and 10 cooperative wholesale societies. The study made by the Bureau reveals the kind and volume of business done by the societies, the magnitude of their membership, the age and the scope of the societies, the amount of their capital, the amount and the disposition of surplus savings. A special study was made of operating expense in order to determine the efficiency of cooperation as compared with private stores. Societies which were exclusively consumers' organizations and societies which combined the functions of consumers' associations with those of marketing associations were considered in the survey, but throughout the report, the data for the two types of societies were kept separate. A section is included in the report for a consideration of the societies which did not succeed, and an analysis of the causes of their failure is given. State laws bearing on the cooperative movement are outlined in synopsis form, and a directory of consumers' societies revised to June 1, 1922, is also included. This bulletin is distributed by the Bureau of Labor Statistics, Department of Labor.

Bulletin 321, published by the Bureau of Labor Statistics, discloses that 270 statutes,

# Do Consumers Know the Value of Your Product?

## What Consumers Want, and What They Have a Right to Get, Is Exact Knowledge of What They Are Buying

Every right-thinking manufacturer should voluntarily demonstrate his integrity to consumers by a definite statement regarding his product.

It's not simply a question of ethics, but plain business sense.

If your product is as good as it can be made, and perhaps better than that of your competitor, you owe it to yourself to get this fact to the public in a convincing way.

This is the service rendered through *Potentia* and

## THE POTENTIA SEAL

General adoption of the *Potentia Seal* by manufacturers of products meriting public confidence will produce these benefits—

### FOR THE PUBLIC:

Raise and Standardize the Quality of Merchandise by providing a simple and definite means for conscientious manufacturers to voluntarily stand forth in fields where they may be surrounded by unfair competition and cheapening in quality of competitive products—providing public recognition of their service and practical business support for their principles.

Simplify Buying and Selling by automatically attracting confidence and attention to products of definite integrity, thereby clearing the markets of worthless products which cannot stand on their merits.

### FOR BUSINESS MEN:

Aid the Retailer by fixing the responsibility for quality of product where it logically belongs; with the manufacturer. He knows what is in it—let him guarantee its merits. The retailer then functions properly as the purchasing agent for his community without being made a buffer for consumer dissatisfaction arising from manufacturer's lack of dependability.

Aid the Jobber or Middleman by reducing the wide range of products he carries, many of which become dead stock on his hands, and by allowing him to concentrate on definitely labelled and dependable goods.

Simplify Manufacturing Practices by producing a competition based on quality and merit and thereby stressing the necessity for all organizations to carefully survey their costs of production and distribution, and reorganize their overhead on the basis of actually necessary charges—eliminating waste.

Help the Small Manufacturer who sells a good product at a fair price—by placing all products on the level of their merits and removing the greater part of the handicap which the small producer suffers when opposed by powerful competitors.

Double the Value of Advertising by furnishing a simple means to definitely establish confidence in the quality of any article so that practically the entire advertising space may be devoted to building up desire for possession.

Aid in Relieving Congestion in Law Courts by providing a method for automatic avoidance of many of the present causes for legal action, and by providing a definite means for redress when necessary, without resort to the courts.

Lighten the Burdens of Government by providing a simple and automatic means for the public to do many things for itself—for which legislative action is now being continually invoked.

## A Simple System to Promote Better Understanding Between Business and Consumers

You believe that informed public opinion may be fairly trusted to reach accurate and fair decisions. This same belief is crystallized for practical purposes by *Potentia* and applied through the *Potentia Seal*.

The *Potentia Seal* is owned by the public and business men, for guidance and protection.

It is administered and controlled by *Potentia*, an organized and growing system for practical and democratic public coördination.

*Potentia* has been created by public men and women, manufacturers, business men, clergymen, bankers, writers, educators and jurists. It is non-political, non-sectarian, inclusive and impartial. Its offices are elective. It has no individual stockholders and can pay no private profits.

Its income is derived from the small annual charge made to manufacturers and business men for the use of the *Potentia Seal*. All income over operating expenses will be used in advertising the *Potentia Seal* and creating public confidence in it, so that as the movement progresses the *Seal* will become more valuable to its users and to the public.

Build consumer confidence in your product, at the point of sale, through your definite guarantee, certified by the *Potentia Seal*. Complete details and forms for application will be furnished on request.



## BONDED

### The Mark of Assurance

ITS ESSENTIAL PURPOSE is to simplify the buyer's buying and accelerate the seller's selling.

*Potentia* does not guarantee products.

Each manufacturer guarantees his own product through *Potentia*, and certifies this guarantee with the *Potentia Seal*.

*Potentia* does not impose any particular standards, nor does it analyze products.

A simple, straightforward guarantee of quality (accepted by *Potentia*) from the manufacturer to the consumer, is the only requisite to secure the *Potentia Seal*.

Each manufacturer writes his own guarantee, but his statements must be clear and understandable facts, and must accurately describe his product.

Each guarantee is bonded for \$5,000 through the National Surety Company, or any other responsible Surety Company.

The *Potentia Organization* makes this whole process simple, easy, and effective.

# POTENTIA

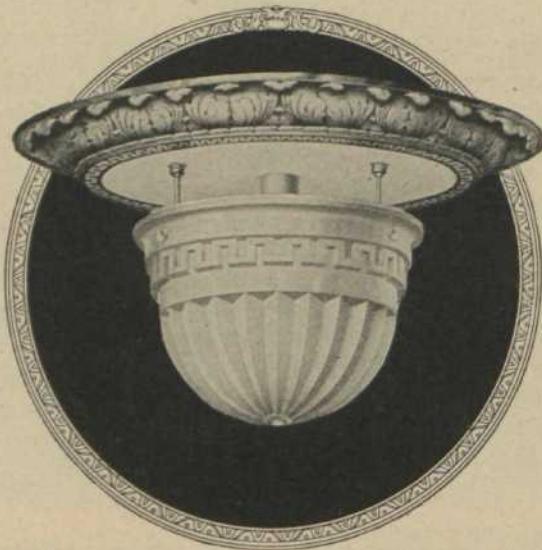
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NEW YORK CITY

# BRASCOLITE

PATENTED AND TRADE MARK REGISTERED

*for Better Illumination*



Type AF

Wide, all white glazed porcelain enameled reflector with bowl of heavy, pressed white glass of low absorption. Type AFB. Same with reflector band finished in leather bronze. List price, \$15.00.

## Sold Throughout America and in Thirty-Seven Foreign Countries

Brascolite has the largest sale of any lighting fixture made. It ideally combines high efficiency with low maintenance cost—due to its simplicity of construction and its scientific principle of *diffusion* plus *reflection* at the source of light.

Through the elimination of glare and by directing the light directly to the useful working plane it delivers the utmost in illuminating efficiency and secures the maximum of eye-health and comfort.

The fact that Brascolite is today sold throughout America and in 37 foreign countries is evidence of its universal acceptance as the ideal light for every purpose. There are styles and sizes to meet practically any architectural requirement.

We are prepared to design and make any special style or character of lighting fixture that may be desired and for that purpose our Engineering and Designing Departments are at your service—anywhere, at any time—without obligation.

Write Dept. NB for illustrated, descriptive literature.

### THE BRASCOLITE COMPANY, ST. LOUIS, U. S. A.

*Division of the St. Louis Brass Manufacturing Co.*

BRANCH OFFICES (Sales and Service):

Atlanta Boston Chicago Cincinnati Detroit Los Angeles Minneapolis  
New Orleans New York Omaha Philadelphia Seattle  
Canadian Distributor: Northern Electric Co., Ltd., Montreal

## WANTED: Salesmen to Sell in the South

THERE are a few positions open on the selling staff of THE NATION'S BUSINESS.

Our representatives, of exceptionally high type, all of them, sell this magazine to business men. They earn from \$170 to \$600 per month. We furnish the training and the transportation.

We have a plan whereby if you are now in the North, we will *route you towards the South*, where we need you most. If you are interested, and think you can sell subscriptions to this magazine, or can learn to do so, write us immediately. Tell us completely about your experience and territory preferences. Address THE NATION'S BUSINESS, Chamber of Commerce of the United States, Washington, D. C.

ordinances and bills which affected industrial relations have been declared unconstitutional by courts. The laws thus held invalid represent virtually every phase of legislation and attempted legislation. An introductory statement

of the basis of legislative action, and the constitutional distinctions which the courts apply serve as a prelude to the subsequent brief account of the subject of each enactment and the reason for its condemnation by the courts, together with the citations of cases. The bulletin may be obtained from the Bureau of Labor Statistics, Department of Labor.

Electric furnaces are discussed in Bulletin 202, prepared and published by the Bureau of Mines. It is not necessary to be an electrical engineer to understand the operation of an electric furnace, says the

bureau, any more than it is necessary to be an automobile engineer to understand an automobile.

The bureau believes that an electric furnace load is so desirable to a central electric generating station that the station, if consulted in the choice and during the installation of the furnaces, will gladly supply advice on the electrical problems involved in the installation and use of electric furnaces.

Central stations on the lookout for desirable loads have given marked impetus to the development of the commercial use of electric furnaces, the bureau adds.

The Electrical Section of the Bureau of Mines has done considerable work in connection with the preparation of data relating to safety rules and regulations for the installation of electrical equipment in mines.

The following publications are now available: Technical Paper 133, "Suggested safety rules for installing and using electrical equipment in bituminous coal mines."

Technical Paper 271, "State mining laws on the use of electricity in and about coal mines."

Serial 2224, "State regulations on accident prevention covering electric circuits in coal mines."

Serial 2258, "State safety regulations governing mine telephones."

Serial 2405, "State and Federal shot firing regulations."

Serial 2419, "Regulations safeguarding coal-cutting machines."

In addition to the publications mentioned above, tentative codes for the installation of electrical equipment in both coal and metal mines have been prepared by the bureau. Copies of these codes may be obtained by any commission having the revision of state mining regulations under consideration.

Maps showing the locations of the power stations and transmission lines used in public service and the names of the public utility companies have been prepared by the Geological Survey, and are now available. The maps may be obtained from the Director of the United States Geological Survey for 50 cents each.

Power Stations And Lines Shown on State Maps



Here is a partial list of products being shipped in standard or specially designed H & D Boxes.

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Auto accessories  
Books  
Bread  
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Chemicals  
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Drugs  
Electrical goods  
Fixtures  
Food products  
Games  
Glassware  
Gloves  
Hardware  
Hats  
Hosiery  
Inks  
Jewelry  
Knit goods  
Lamps  
Machine parts  
Medicines  
Millinery  
Musical instruments  
Musicians' supplies  
Office supplies  
Optical goods  
Piano stools  
Pictures  
Plumbing supplies  
Polishes  
Printers' supplies  
Printed matter  
Radio sets and parts  
Rubber goods  
Shoes  
Signs  
Spices  
Sporting goods  
Stationers' supplies  
Surgical instruments  
Tea  
Textiles  
Toilet articles  
Toilet preparations  
Tools  
Toys  
Tobacco and smokers' supplies  
Umbrellas  
Vacuum cleaners

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**S**AFETY, cost-saving, convenience, advertising and sales value—these are things H & D Boxes give you in greater degree than any other shipping containers you can buy.

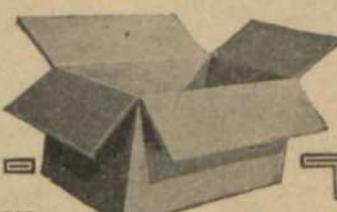
Full measure of protection for the merchandise—minimum cost for boxes—ease and speed of packing, sealing and handling—clean, smooth walls on which to have your name and trade-mark printed—easy accessibility to contents by dealer or consumer when received—these are features that have made H & D Boxes the unquestioned leaders in the container field.

Find out, today, how large a stock of boxes you have on hand. And then suggest to your buyer that he get full information from H & D. Our samples—and prices—will arouse your instant interest. And remember, our Free Package Planning Department is at your service, to make up and submit specially designed boxes for goods requiring them. The coupon will bring you the H & D Box Catalog and full details of this free design service. Please mail it today.

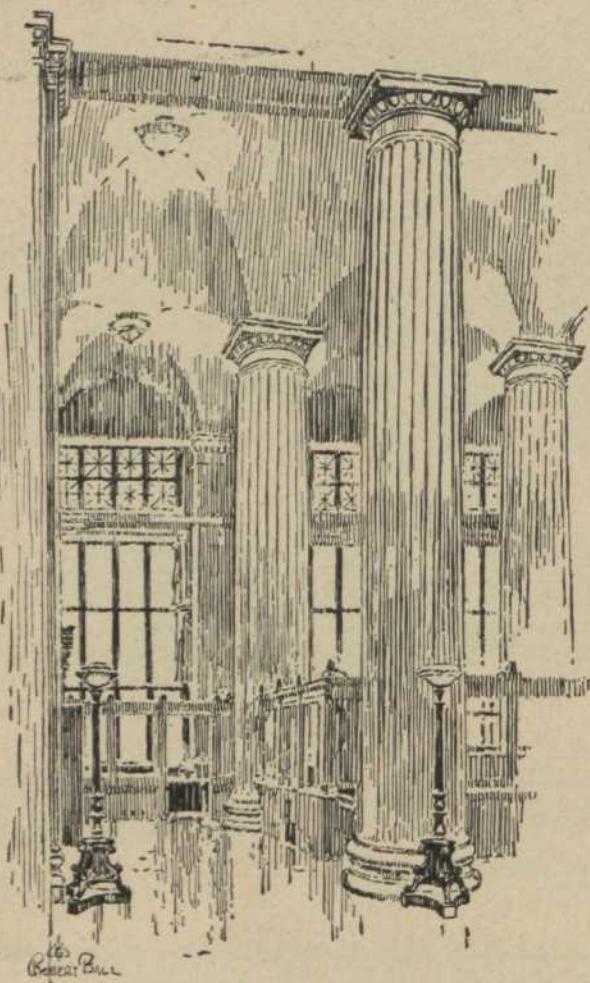
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Robert Bill

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Bonds and other Investments  
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Do you remember the days when, in every trade, you expected and got something "to boot"? An old custom that has yielded to more exacting modern demands, perhaps, but—

The Continental and Commercial Banks aim always to give a little better service than is expected,—better than might be necessary,—better than is customary. "An extra measure of service" has given these banks 175,000 customers.

***The* CONTINENTAL *and*  
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CHICAGO**

Resources more than \$500,000,000

## Some Notes on Markets and Reaching Them

By RALPH BARSTOW

HERE are certain classifications of people who are more likely to use your product than others, no matter what the product is. You say you can sell soap to every man, woman and child in the United States. Very true, you can; but there are places in the United States, including Pittsburgh, where more soap is required per person than other places. There are towns far south where a suit of pajamas and a pair of carpet slippers will serve the purpose of clothing for months at a time, and soap is sold there, but it lives to a green old age. Now, why aim your buckshot at the whole wide world, especially if you are paying a good high price for powder? Why not find out where your possible users are most closely packed to the square mile and find out who those possible users are?

You can get the United States Census list of classifications and, by numbering those in the order of their relative importance, arrive at the kinds of people who will more rapidly buy your product than others. After you determine on the classification, you can find out where those people are located in the greatest numbers.

### How Habit Counts

FTER you have your most likely users clearly established in your own mind, and after you know where they are in the greatest numbers, you need to know their habits—or at least two of them. You need to know their *trade habits* and their *thought habits*. Why? Because people are given to indulging themselves in little prejudices, which become habits, and after a while it is difficult to sell against the current of these habits.

After you have established clearly in your mind just what your prospects' habits are, then get a picture of the mental life of your prospects. I limit this to mental life, because the physical life of these people conditions and modifies their mental life, and you are reaching them through their mentalities when you are selling.

How are you to do this? Well, one thing that will aid you is to find out what they read. A letter addressed to librarians in public libraries in various sections will develop very quickly the type of literature that circulates most in any territory. If they are not a book-reading people and depend entirely on the newspapers, you will find it out. If they are a book-reading people, you can find out whether they are devoted to fiction or to history, science or philosophy.

Next, it would be well to know something of their religion—not in the limited sense of any particular creed, but in the broad philosophic sense. If your audience is composed of hard-headed, practical people, you must make your appeal conform to that type of religious conception. On the other hand, if you find your possible users are of poetic temperament, you will be able to reach them more readily by conforming to that type of mind.

Next, find out what their ideals are. Do I mean to say that a township, or a city, or a county, or a state has ideals? Yes, indeed, I do.

More than that—a country. And when you comprehend those ideals you have a greater sympathy with the people and a greater ability to speak their language. And in addition to that this preliminary investigation will have the additional advantage

of putting you in tune with your prospects.

Finally, you may get an understanding of your prospects through their sports and pleasures.

Now that you stop to think of it, you realize how shrewdly you can size up a man through his choice of pastimes.

If he is a baseball fan, it is clear that his mental system loves excitement, intense moments coupled with physical action, and the element of keen competition.

If he is particularly fond of canoeing, you can assume that he is more contemplative, that his mind runs in serener channels, that beauty and nature are attractive to him.

What applies to the individual applies with equal force to the collection of individuals in townships, communities, and cities.

#### Climate Makes a Difference

THE residents of Montreal, conditioned by the climate, are out-of-doors people; deep-chested, warm-blooded, good, clean, material folks. In the majority they have no patience with trivialities, with nice distinctions—the Canadian Northwest illustrates this even more clearly.

A stock-raising community such as Sioux City, Iowa, is breezy and accustomed to handling things in the large. You cannot scare them by material bigness, but you will find them impatient of petty details.

Is it not surprising that retailers serving large geographical sections have not taken up market analysis? The department store already knows by experience a great many of the facts and would not find it alarmingly expensive to secure the others.

Goods that require an educational process before the user will buy them can be broadly classified as specialties. For instance, very few people will buy a set of books on some educational subject of their own impulse or volition. It requires the services of a salesman who will show the prospect that he needs such a set of books before the sale can be made.

This is also true of such office devices as check protectors, although practically all offices of any size use such things. Yet it has been found that there is no one in the office who will seek out and buy such a device as a rule. Someone has to be convinced of the need of that device and shown all of the risks of being without it before the sale can be made.

Once upon a time a manufacturer of this device thought that the time had come when they could be sold through the retailer, so he brought out a very attractive little machine that sold at a low price and stocked up the retail stationery stores of the country with these check protectors. Barely 10 per cent of the machines were sold. This experiment proved that check protecting devices are still a specialty and must be sold by specialty salesmen.

Any product that can be sold in a retail store, however, can be classed as a staple, although it may have many elements of a specialty. It must be understood that the dividing line between specialties and staples is not and cannot be drawn sharply.

The typewriter, for instance, is practically a staple, and yet typewriter manufacturers have found it most profitable to maintain their own selling agencies. On the other hand, cameras which seem to be specialties are sold most profitably by retailers who carry other lines of goods.

The test, then, that we must apply to a product or a line of goods to determine whether it is a specialty or a staple is whether it can be sold through a retail store that carries other goods, or whether it de-

# RUGGLES

*The World's Greatest Truck Value*

## Produced and Serviced by Transportation Experts

The great Ruggles organization is made up of trained transportation experts. The factory specialists know how to build trucks to meet commercial needs. The local dealer applies transportation principles to the economical moving of your product.

Ruggles Trucks are built to perform definite service. They are strong, powerful, dependable. They have the power to carry your load and the speed to maintain your schedules.

Ruggles trucks are built of the finest material that long experience and tremendous buying power can command. The durability thus secured—and the low cost—makes them admittedly the *world's greatest truck value*. A unit for every haulage need at chassis prices from \$795 to \$2195.

Ask the nearest Ruggles dealer for an expert opinion on your transportation problem. Write us for illustrated literature.

### Chassis Prices

F. O. B. Factory

**"Go-Getter"**  
1500 lbs. Capacity  
\$795

**Model 20R**  
2500 lbs. Capacity  
\$1295



**Model 40**  
5000 lbs. capacity  
\$1995

**Model 40H**  
6000 lbs. capacity  
\$2195

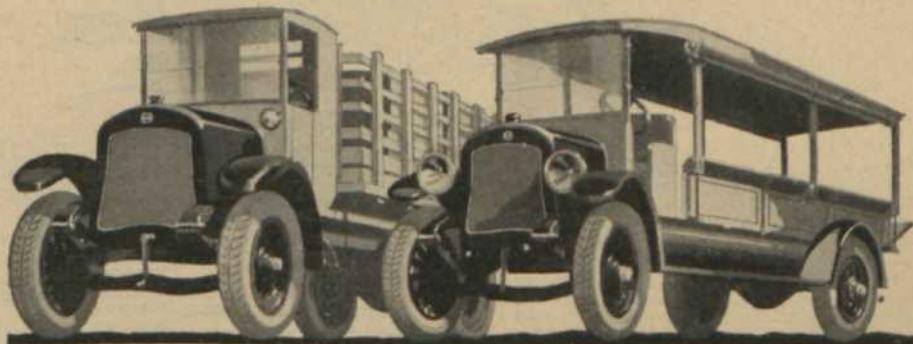
RUGGLES MOTOR TRUCK COMPANY, Saginaw, Michigan  
Canadian Factory: Ruggles Motor Truck Co., Ltd., London, Ontario

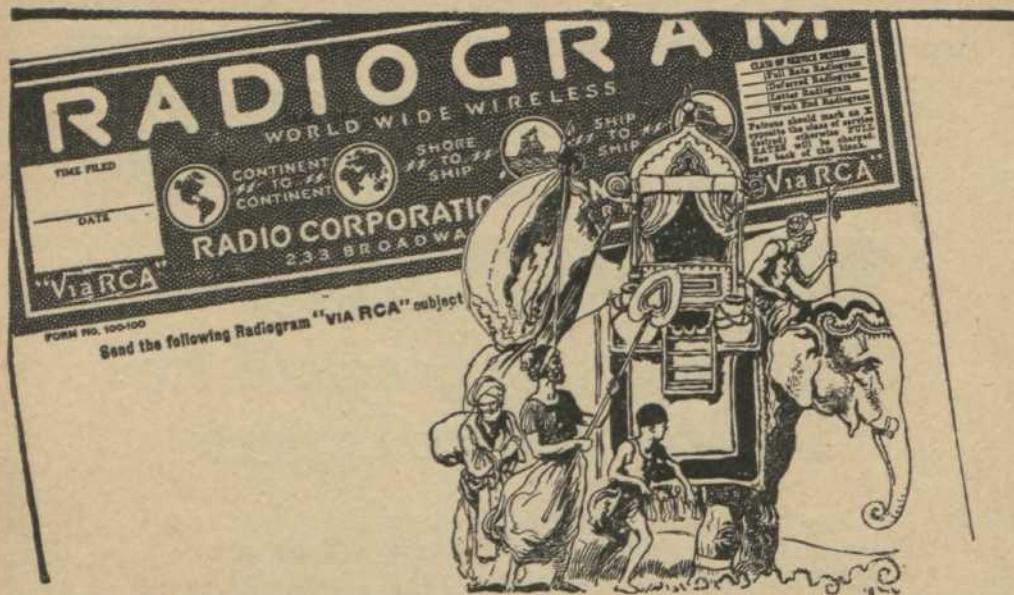
#### Modern Transportation Offers New Business Opportunity

Commercial transportation offers a big field today. Small capital required. Hundreds are making big incomes operating bus and express lines.

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We have some territory still open and want men to represent the Ruggles National System of Transportation Economy. Business men come to you for transportation counsel. This is an opportunity for men with vision and imagination. Write us today for full particulars.





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Speed! That is the gift of Radio to the commerce of the world. Communicating across oceans by wireless telegraph as fast as you can chat across the back fence. With every facility for speeding your message from your desk to the desk it is headed for in Europe or Asia. Mark every message

**"Via RCA"**

To Germany and to Norway, the Radio Telegraph is the only direct way. To every nation it is the preferred way—accurate as it is speedy.

*How to send a Radiogram:* In New York, San Francisco or Washington, phone for an RCA messenger. In other cities, use the nearest Postal Telegraph office to send a Radiogram to Europe. Use the nearest Western Union office for Radiograms to Japan and Hawaii. To any country—and on ships at sea be sure to

*Mark your message "via RCA"*

**Radio Corporation of America**

RCA OFFICES IN THE FOLLOWING CITIES:  
NEW YORK CITY

64 Broad Street	Broad 5100	933 Broadway	Ashland 7314
19 Spruce Street	Beekman 8220	1329 Third Avenue	Rhineland 9257
105 Hudson Street	Walker 5380-5381	51 East 42nd Street	Murray Hill 4996

SAN FRANCISCO, 300 California Street, Douglas 3030  
WASHINGTON, D. C., 1110 Connecticut Avenue, Main 7400

CHICAGO	10 So. La Salle St.	PHILADELPHIA	The Bourse
BOSTON	60 Congress Street	CLEVELAND	1599 St. Clair Ave.
NEW ORLEANS	Carondelet Building	SEATTLE	Maritime Building
BALTIMORE	Gay & Pratt Streets	PORT ARTHUR, Texas	Minter Building
NORFOLK, Va.	220 Brewer Street	HONOLULU, T. H.	923 Fort Street

mands the services of a salesman to educate the buyer up to the point where he feels his need.

Many inventors and manufacturers of exceedingly clever articles are so enthusiastic over their product that they feel it will only be necessary to announce to the public that there is such a product available, and the market will be waiting for them.

Sometimes an article is so thoroughly specialized and standardized that it carries a very small margin of profit, and therefore the manufacturer must sell his goods direct to the retailer.

### How Lump Sugar Is Sold

MANUFACTURERS of a lump sugar had a product to distribute. The margin of profit on sugar is notoriously small so far as the refiners are concerned. They got their percentage of profit through the bulk of their sales and the greatness of distribution rather than on the individual sale.

There are thousands and thousands of grocery stores in the United States. Just think of your own city and picture the hundreds of groceries there. It is obvious that the sugar people could hardly employ salesmen to go around and see all of the grocers in the United States—there was not a big enough margin of profit to justify this arrangement.

But if the sugar could be sold by a salesman who also sold coffee, salt and canned goods—in fact, other grocery lines, then the overhead cost of selling any one of these items was reduced. Consequently, the sugar people found their efficient channel of distribution through selling their product in bulk to the wholesale grocers, who in turn distribute the sugar to the retailer.

It sometimes happens that a product which can profitably be sold through wholesalers west of the Mississippi River is more profitably sold direct to the retailer in the territory east of the Mississippi River. In other words, a combination price is adopted. The population in the east is more densely grouped. There are more people to the square mile east of the Mississippi than west, and this fact sometimes covers the choice of a distribution channel.

Last, and by no means least, comes the possibility of mail order distribution. Sometimes this distribution is built up on the service and price basis exclusively, as is seen with such firms as Sears, Roebuck & Co.; Montgomery, Ward & Co., and sometimes it is built up around a premium basis such as the Larkin Soap Company's plan. They have found this plan a profitable one and have developed it with exceeding skill. Their factory is a large one, and by buying or controlling the output of certain other large factories they are able to buy their premiums to such advantage that they give good value on both sides.

Their success is due perhaps to some little quirk of human nature because, if they offered you the premium and the supplies complete for \$10, it is doubtful if they would arouse nearly the enthusiasm although there is no doubt they give value received under the present plan and you would get value received if you bought both the article for \$10.

Within the next five years a body of literature will be built up around this tremendously important branch of merchandising, and directors of sales will begin to blue-print their movements in the same way that the American Telephone & Telegraph Company have planned for twenty years ahead, the growth of telephone service and subscribers.

# Hotels Statler

Buffalo - Cleveland - Detroit - St. Louis

There is to be another Hotel Statler in Boston, with 1100 rooms, 1100 baths. Opening date to be announced later.

## Get to the Management

By E. M. STATLER

MANAGERS and assistant managers in our hotels represent the guest just as truly as they represent the hotels. It's you, really, for whom they work.

So when you want some special service or attention that's beyond the room-clerk or bell captain or other person to whom you apply—

When you have to go higher than the chief of some department to get satisfaction—

Then an assistant manager, or perhaps the manager, is the man for you to see.

As the manager can be in but one place at one time, and can't be on duty all the time, there are assistant managers in our hotels who are all that the title implies. An assistant manager is always available, broadly speaking; and is always glad to do his utmost to insure your satisfaction while you're with us.

You will find, below, some of our formal instructions to managers and assistant managers; they give the net of what we require of men in those positions, in their capacity of *representing the guest*.

### Instructions to Managers and Assistant Managers

"YOUR BIGGEST responsibility is to see that our policies are carried out and our promises to the public are kept.

"Most of your contact with guests will be with those who want something of you. You must always do everything you can to make their way smooth and pleasant.

"If his trunk hasn't come, or his ice-water doesn't flow; if he doesn't like his room, or has trouble at the mail desk—

"Whatever the reason for his seeking you, you are to take hold *interestedly* and give him the quickest satisfaction possible.

"In all your contact with guests (and, don't forget, with your associates, too), remember that the unforgivable sin, from our standpoint, is *discourtesy*. A close second is lack of interest; whether a guest comes to you with a complaint or a request, he *must always* be greeted and listened to and *helped* with the graciousness and

courtesy that are the spirit of our policies.

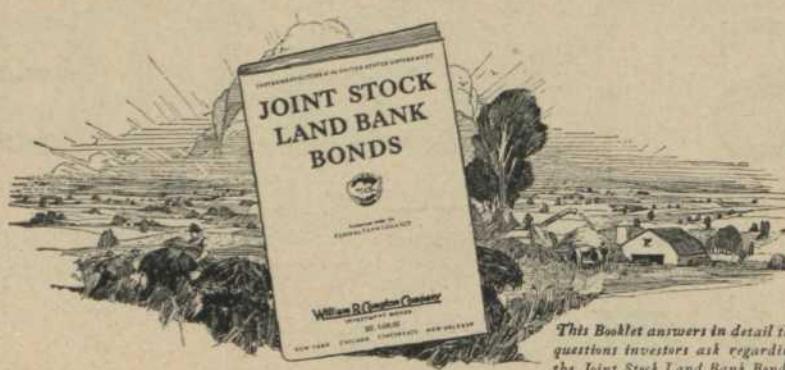
"You are the men at the top in your houses, you managers and assistant managers. But you have no special rights or privileges over any other employee of the company in the literal carrying-out of these instructions from The Statler Service Codes: 'No employee is allowed the privilege of arguing any point with a guest; he must adjust the matter at once to the guest's satisfaction, or call his superior to do so.'"

*Emozaen*



# Hotel Pennsylvania

Opp. Pennsylvania Terminal, New York. *The Largest Hotel in the World*



## A Timely Booklet

No single class of bonds is the object of more widespread attention on the part of the investing public today than the Joint Stock Land Bank issues.

Secured by selected, conservative farm mortgages under rigid Federal supervision, possessing a broad, ready market and yielding the highest return obtainable with total exemption from all taxation except inheritance taxes—these features of the Joint Stock Land Bank Bonds explain the strong position and steadily increasing demand which they now enjoy.

Our new booklet is designed to render concise, complete information on the Joint Stock Land Bank Bonds—their origin, security and safeguards, and an analysis of their most important features from the investor's standpoint.

This booklet will be sent to investors interested in the subject.

*Write for Booklet N-4*

### William R. Compton Company

INVESTMENT BONDS

ST. LOUIS  
Compton Building

NEW YORK  
14 Wall St.

CHICAGO  
105 So. La Salle St.

CINCINNATI  
Union Trust Building

NEW ORLEANS  
602 Hibernia Bank Bldg.

## A Coupon Worth Clipping

Perhaps you would like to clip this out and send it to a business friend, recommending that he subscribe to *THE NATION'S BUSINESS*. Each month we learn of a great many instances in which readers have made this recommendation to certain of their business friends.

To the CHAMBER of COMMERCE  
of the United States, Washington, D. C.

Kindly enter my subscription for the FULL Term, three years. I will remit \$7.50 on receipt of your bill.

Name \_\_\_\_\_

Street \_\_\_\_\_  
Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_

Apr. 23

## Log of Organized Business

### Against Federal Education Board

A REFERENDUM taken by the Chamber of Commerce of the United States resulted in a decisive vote against the creation of a federal department of education. Two other propositions likewise dealing with the question of extending the Federal Government's interest in education were included in the referendum. The three propositions submitted to the Chamber's membership, and the vote on each follow:

Do you favor the creation of a federal department of education with a secretary in the President's cabinet? For: 447½; against: 1,291½.

Do you favor enlarging the present federal bureau of education? For: 590; against: 1,069.

Do you favor the principle of federal aid to education in the states on the basis of the states appropriating sums equal to those given by the Federal Government? For: 576½; against: 1,173½.

Since the Chamber can be committed only by a two-thirds majority of the votes cast, no decision was reached on the second proposition.

The three questions were submitted to a vote of the business organizations after the Chamber's Committee on Education had made a long study of the Towner-Sterling bill and other proposals that have been placed before Congress. Majority and minority reports were made by the committee.

The majority members of the committee opposed a new department of education and federal aid, but they expressed their belief that the present federal bureau of education should be enlarged. The minority members advocated a new department of education, together with federal aid as proposed in the Towner-Sterling measure. A separate memorandum was prepared by one member of the committee, who differed in some respects from both majority and minority reports in that he opposed a federal department of education, but advocated federal aid for some purposes, such as removal of illiteracy and promotion of a more widespread understanding of the principles of the United States Government.

The two reports and the separate memorandum were sent out to member organizations have those voting might have the opportunity to go thoroughly into all sides of the subject themselves. Those who signed the majority report were:

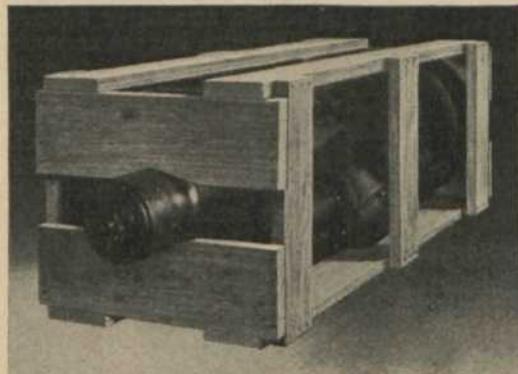
James J. Storrow, banker, of Boston; Frank J. Loesch, lawyer, of Chicago; John G. Lonsdale, banker, of St. Louis; Henry S. Pritchett, educator, of New York, and Henry D. Sharpe, manufacturer, of Providence, R. I. The minority report was signed by:

Thomas E. Finegan, superintendent of public instruction in Pennsylvania, and Mrs. Ira Couch Wood, director of the Elizabeth McCormick Memorial Fund for Child Welfare, Chicago.

The separate memorandum was prepared by R. Goodwyn Rhett, of Charleston, S. C.

### Further Blue Sky Protection

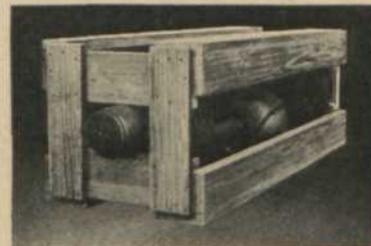
FOLLOWING earlier investigations of fraudulent stock selling schemes and the prosecution of those persons practicing fraud in the sale of securities, the committee on legislation of the Cleveland Chamber of Commerce has made its report with regard to "blue sky" activities in the State of Ohio,



The crate on the left is one of several crates designed for a manufacturer of automotive axles. It takes the place of the crate shown on the right.

The advantages of the new crate are: a marked saving in lumber; a considerable decrease in weight; more rigid construction; prevention of side play; better protection for the drum; lessened labor cost.

A further instance of what Weyerhaeuser Crating Engineers are doing for shippers every day.



## Better Crates with Less Lumber

A YEAR'S experience with our special Crating Service has brought out one very significant fact.

It doesn't pay a concern to be too sure that its crating practices cannot be improved.

Some of the most startling savings our Crating Engineers have effected, have been made for concerns who were entirely satisfied with the containers they were using.

A year's work among many industries in many parts of the country has proved that in the great majority of cases our Crating Engineers have been able to build better crates with less lumber. And where savings in lumber have not been possible they have built stronger crates and effected other savings of equal importance.

HERE in brief is the story of the two crates pictured above:

The new crate, designed to carry a 3-ton truck axle, requires 36.3 feet less lumber—a saving of 52%.

It weighs 112 pounds less than the old crate.

These two items represent a saving of \$2.02 per crate.

Labor cost is reduced approximately 50%.

The structural advantages of the new crate over the old one can readily be seen: the lock corner construction makes it stronger and more rigid; the notches in the end members prevent the side play which often weakened the old crate in transit; redesigning of the side members

affords better protection to the brake drum.

Shippers who have adopted scientific crating report other advantages—of perhaps even greater importance than factory savings. It eliminates damage claims and speeds up collections. It decreases sales resistance and so gives the salesman a new selling tool. Safe packing builds good will.

THE services of Weyerhaeuser Crating Engineers are offered to executives of business concerns—by appointment on request.

There is no charge for this service. This organization feels that the position of lumber as the standard material for shipping containers imposes the obligation to deliver 100% value with every foot of lumber we sell.

For crating purposes, this organization supplies from its fifteen distributing points, ten different kinds of crating lumber, of uniform quality and in quantities ample for any shipper's needs.

A booklet, "Better Crating," which outlines the principles of crate construction and explains the personal service of Weyerhaeuser Engineers, will be sent on request to any manufacturer who uses crating lumber.

Weyerhaeuser Forest Products are distributed through the established trade channels by the Weyerhaeuser Sales Company, Spokane, Washington, with branch offices at 208 South La Salle Street, Chicago; 220 Broadway, New York; Lexington Building, Baltimore; and 2694 University Ave., St. Paul; and with representatives throughout the country.



## WEYERHAEUSER FOREST PRODUCTS SAINT PAUL • MINNESOTA

Producers for industry of pattern and flask lumber, factory grades for remanufacturing, lumber for boxing and crating, structural timbers for industrial building. And each of these items in the species and type of wood best suited for the purpose.



Guaranty Service



## Financing Our Two Greatest Exports

MORE than six million bales of cotton, and more than 164 million bushels of wheat left our shores for foreign ports during 1922. These two commodities were the largest items of our export trade, and their value was in excess of \$879,000,000.

A substantial portion of American cotton and grain shipments is financed by this Company, which also supplies the banking credit and service for the exportation of a great volume of other products.

The handling of such transactions is but one phase of our complete commercial banking service. Whether your banking needs be in the export or import field, or in domestic business, we can offer you facilities which will meet your requirements and which may become an important factor in your business.

Our booklet, "Specialized Service to Corporations," discusses our facilities from the viewpoint of their particular value to corporations and firms. It will be sent on request.

## Guaranty Trust Company of New York

MAIN OFFICE: 140 BROADWAY, NEW YORK

LONDON PARIS BRUSSELS  
LIVERPOOL HAVRE ANTWERP

including the draft of a bill to regulate the sale of securities.

The committee based its bill on the essential features from the plan embodied in the English and Canadian acts which require a certain amount of information concerning the security, but the committee went further in requiring much more detailed information for the protection of the investor.

The committee also included in its draft those parts of the so-called paternalistic security laws which vest in the proper offices of the state the right to prevent the sale of any security which, in their opinion, will result in fraud. The theory of the committee's bill is that there should be adequate publicity given to the pertinent facts relating to the security to be sold, except of course, in the case of those securities exempted.

This is accomplished by requiring that the purchaser of a security receive all of the facts in printed form before he can make a binding contract to buy. If he does not receive these facts before he buys he may later avoid the sale.

These facts must also be filed with the commissioner of securities at the state capital. Furthermore, if the purchaser has been damaged by virtue of an untrue statement made to him in this printed form he may recover damages from the directors of the corporation or from any one of them.

It was also the belief of the committee that in many cases fraud might exist, or that there might be a likelihood of its being present, and the committee, consequently, would give the commissioner of securities authority to stop the sale of any security at any time when, in his opinion, this condition exists, subject to an appeal to the attorney general. Any person failing to comply with the provisions of this bill would be subject to a heavy penalty.

### Special Library for Business

A COMMERCIAL branch library of the city public library system, located in the Board of Commerce building in the downtown business district of Detroit, has proved useful to the business men of Detroit. Established some five years ago primarily as a reference library for the convenience of departments and members of the Board of Commerce, this library has developed into an information bureau on commercial, civic, economic, and general business problems and conditions.

The service rendered by this department of the Board of Commerce may be divided into two classes—service to other departments and service to members.

While employees in other departments of the board enjoy the same privileges as do members, they also derive other benefits from the library. When periodicals are received, the librarian goes over them, marks certain passages for the attention of departments that are likely to be particularly interested in them, and routes the publications through all the departments. When they return to the library, she files them for reference. She collects and prepares special information for the use of departments and members of the board; she distributes publicity matter, and she personally answers all letters of inquiry addressed to different departments for information on a wide variety of subjects.

Service to members includes lending books, pamphlets, periodicals, maps, pictures, clippings and reports, preparing bibliographies and biographies and, above all, serving as a bureau of information. Books and other references are loaned. This is a very important feature because the busy executive

The New  
Quiet 12



# It's a Remington

The new Remington Quiet 12 has every advantage for which the Remington is famous — strength, durability, simplicity, the "natural touch", — *plus* the priceless feature of quiet operation.

Many refinements of construction have hushed the old, familiar typewriter noises.

This new Remington pleases both the executive and the operator. It relieves the executive from disturbing clatter. And it enables the operator to turn out clean-cut, beautiful work, with ease and speed, and the minimum of effort. This not only pleases her but scores with the "boss".

Demonstrations will be given gladly or illustrated folder will be mailed on request.

*The Remington Quiet 12 speaks only in a whisper, but will be heard around the world*

**Remington Typewriter Co.**  
374 Broadway, New York      Branches Everywhere

## Other Important Items of the Remington Typewriter Line

### *Improved Remington No. 10—*

the Standard Correspondence Machine. Sells for \$7.50 less than the new Model 12, and is highly satisfactory under all conditions where quiet is not a prime consideration.

### *Improved Remington No. 11—*

with Key Set Decimal Tabulator. For form, tabular and statistical work of every description.

### *Remington Accounting Machine—*

with vertical and cross adding mechanism. For billing, statement writing and bookkeeping in all its branches.

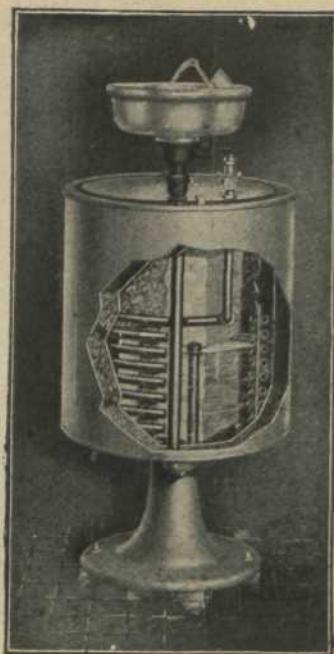
### *Remington Portable—*

with standard keyboard. The universal typewriter for individual or personal use.

### *Paragon Ribbons and*

*Paragon and Red Seal Carbon Papers—* manufactured by us. The standard line of typewriter supplies.

*The Remington Typewriter Line is complete in every field and complete for every purpose*



No. 570 A

## Does thirst-quenching cost you \$18,000.00 per year?

With 1000 employees in your factory at an average wage of 30 cents per hour—six drinks per day, two minutes per drink—the cost of thirst-quenching is \$60 per day or \$18,000.00 per year.

If your workmen are compelled to wait in vain for the water to cool, your pro rata cost is more.

Halsey Taylor Instantaneous Cooler Fountains at frequent intervals throughout your plant save valuable working time and increase efficiency and production.

There are vital reasons why more than a score of corporations have each 100 or more Halsey Taylor Fountains in use: Namely, the time-saving element, increased efficiency on the part of the workmen, and the superior Halsey Taylor construction. Halsey Taylor fountains have three important exclusive features, including positive and uniform control of the height of the stream.

Write for new 32-page catalog.

**THE HALSEY TAYLOR CO.**  
No. 520 Park Avenue  
Warren, Ohio

### BRANCHES

New York City      Chicago  
137 E. 43d St.      1702 N. Talman Ave.  
Philadelphia      Kansas City  
5224 Greene St.      3838 Troost Ave.  
Boston      San Francisco  
46 Cornhill-R. 512      237 Rialto Bldg.

**HALSEY TAYLOR**

is frequently unable to visit the library and look up information in person. Under the rules of this branch he can send his office boy for the books or other desired references and keep them from two hours to two weeks, depending on the degree of their demand.

Although this branch maintains an adequate number of the best books on subjects in its field, these form only a small part of its equipment. Periodicals, documents, reports, clippings, questionnaires, typewritten information, maps, charts, and photographs are available, and all are systematically filed for ready accessibility.

Twenty to thirty requests for special information come over the telephone or by mail to this branch library every day. The branch library has the privilege of drawing on the resources of the main city library. Morning and afternoon deliveries and collections are made daily by the main library, and the borrower of books from any library in the city may return them to this branch, which in turn will send them back to the proper library. The city library bears all the expense of the Board of Commerce branch, with the exception of space, light, heat, and building service.

D. G. BAIRD.

### Prize Studies in Accounting

THE American Institute of Accountants Foundation has announced a prize competition, with the explanation that it originates in a desire to produce a comprehensive expression of opinion on the general subject of capital stock of no par value. Papers are to be submitted on:

The principles which should govern the determination of capital and the amounts available for distribution of dividends in the case of corporations, with special reference to the system of capital stocks without a par value.

The amount of the prizes will be at the discretion of the judges, provided that the first prize shall not be less than \$1,000 nor more than \$2,500; and that other prizes shall not be less than \$250 nor more than \$750. The competition is open to everyone without restriction. Manuscripts must be submitted not later than October 1, 1923.

Included in the list of judges are: Julius H. Barnes, president of the United States Chamber of Commerce; Wesley C. Mitchell, Albert Rathbone, Frederick Strauss, and George O. May. To receive consideration, manuscripts should be typewritten and identified by a pen name. A separate sealed envelope bearing on the outside the pen name and containing the name of the author should accompany the manuscript, and should be addressed to A. P. Richardson, secretary of the American Institute of Accountants Foundation, 135 Cedar Street, New York.

The institute will undertake to publish the winning manuscript, and will also award a prize for the best manuscript submitted by a member of the American Institute of Accountants.

### Making Business Teaching Business-like

REGIONAL conferences of business men and high-school teachers of business and social subjects were held in New York City, March 2 and 3, and in Columbus, Ohio, March 9 and 10. These conferences were the third and fourth, respectively, of a series, the first of which was held in Philadelphia, November 3 and 4, and the second in Boston, December 8 and 9.

The purpose of the conferences is to correlate standardized business experience and the teaching of high-school business and so-

# The NIBROC

Pronounced NIB-ROCK

Kraft Paper  
Towel

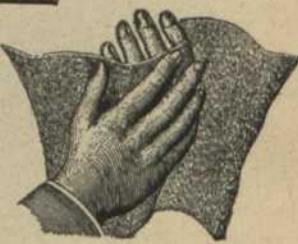
is a camel  
for water

One Nibroc towel will  
absorb this glass of water



It is velvety

on account of the  
natural emollient  
in the Nibroc  
fibres. It helps  
keep the skin soft  
and smooth.



It is tough



Try to pull one apart!

It is thrifty—because  
One Wipes Dry!

Nibroc is the only paper towel that  
you can use like a linen towel, to  
wipe your hands till they are dry.

For Samples, or further particulars, address

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**BROWN COMPANY**

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PORTLAND, MAINE

cial courses, according to an announcement made by the Bureau of Education, Department of the Interior, Washington, D. C., which organized the meetings in cooperation with the United States Bureau of Foreign and Domestic Commerce, state departments of education, merchants' associations, chambers of commerce, and teachers' associations. Arrangements for holding similar conferences in other cities are now in progress.

Representatives of organized business and public officials are invited to show how their organizations promote and serve business, including the service they can possibly render to high-school teachers of business courses; and representatives of business corporations are placed on the programs to describe and to visualize the fundamental operations and practices of their enterprises and the methods of solving their business problems.

#### The Solemn Rite of Citizenship

NATURALIZATION ceremonies in the federal court in Brooklyn are to be under the direction of the Brooklyn Chamber of Commerce. The district judge has asked the chamber to assume the responsibility for welcoming new citizens, and the chamber has gladly complied. The ceremonies are held every Thursday. A general invitation has been extended to the members of the chamber and to the public to attend the ceremonies and learn the manner in which persons of foreign birth are received into citizenship.

#### "Cooperating" the Sales Managers

THE St. Louis Chamber of Commerce has an active sales managers bureau, the purposes of which are to build up the city by increasing its sales and to serve the city's trade territory efficiently. These purposes are effected through good-will tours, by educating sales managers in better methods of merchandising their products and of serving their trade, by publishing a weekly bulletin containing items of benefit to sales managers, by entertaining visiting buyers and delegates attending important conventions, and through the preparation of motion pictures.

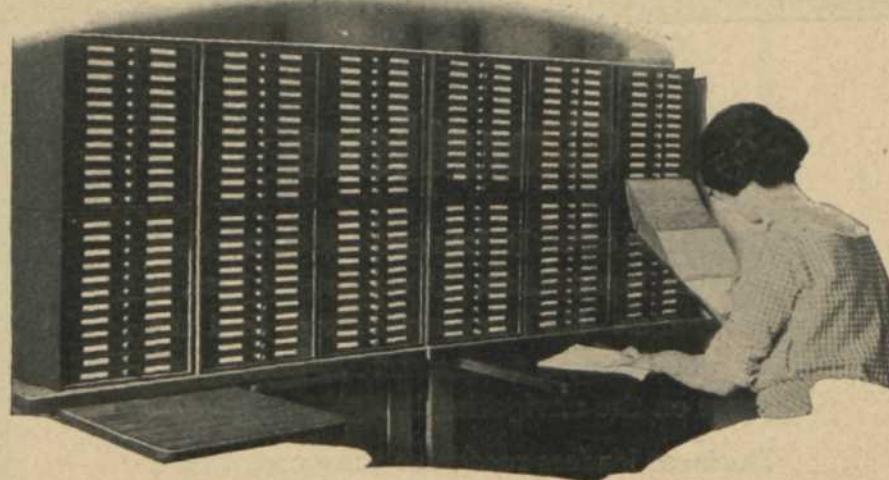
#### Capitalizing Barbershop Talk

ALL the barbers of Lebanon, Pennsylvania, were recently invited to a smoker given by the chamber of commerce. The invitations were extended in the belief that the barbers have a continuous opportunity to give visitors a favorable impression of the city, that many barber shops are forums of public discussion where municipal questions are freely argued, and that the barbers should have a true conception of the city's development with an understanding of the part taken by the chamber of commerce in the general progress. The invitations made it plain that the smoker was not in any way a scheme to promote the chamber's membership or influence. The barbers got an entirely new point of view on their opportunities for service to the city, and have actually made use of these opportunities.

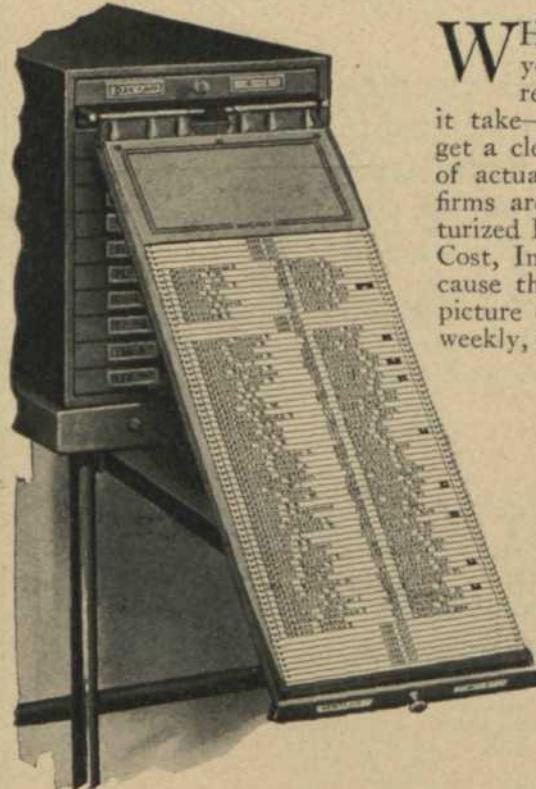
#### International Court Favored

REPRESENTATIVE business organizations connected with the Chamber of Commerce of the United States favor participation by the United States Government in the Permanent Court of International Justice.

This information was conveyed to the President in the form of a letter by Elliot H. Goodwin, resident vice-president of the Chamber. In his letter, Mr. Goodwin states that "this question was brought before our annual meeting in May, 1922, and at that



## "A Clear, Easily Kept Record with RAND," say Bird & Sons, E. Walpole, Mass.



WHAT do your records tell you? You have certain facts recorded, but how long does it take—and what does it cost—to get a clear, easily understood picture of actual conditions? Thousands of firms are using RAND Visible Picturized Records of Sales, Production, Cost, Inventory, Personnel, etc., because they instantly show a graphic picture of business conditions daily, weekly, or by any other period.

- Each record is plainly visible.
- Each record is loose-leaf bound to prevent loss or misfiling—in fact, the removal of a record is seldom necessary.
- Additional records are easily inserted in proper alphabetical or numerical order.
- High light facts are easily charted on each record for instant reference.

In short, complete, graphic, easily understood records are made instantly available without burdensome clerical costs.

Let the RAND man in your city show how easily your present records can be picturized and made graphic the RAND way. This information gladly given without obligation. Or write us direct, enclosing samples of your present records. Address—Rand Company, Inc., 1804 RAND Bldg., North Tonawanda, New York.

# RAND

## VISIBLE CARD SYSTEMS

ASK ANY BANK OR BUSINESS CONCERN ABOUT RAND

# Caution

Caution is care. It does not hinder, nor does it cause loss of time. It watches, it sees, it commands. Its one purpose is to lead the ship of business to success. It is common sense on the navigating bridge.

Business leaders recognize the present as a time of promise. But they preach CAUTION. Their advice is to resist temptations to heed boom talk; to seek sure profits and not to speculate; move solidly, rather than swiftly; to be vigilant.

Business vigilance is impossible without facts and figures—complete, up-to-the-minute and dependable. Out-of-date figures, incomplete facts! They are the dead eyes of blind business. They are dangerous.

Sound methods of Cost Accounting are the one source of reliable facts and figures—the vigilant eyes of CAUTION on the navigating bridge.

## ERNST & ERNST

AUDITS — SYSTEMS  
TAX SERVICE

NEW YORK	CHICAGO	CLEVELAND	INDIANAPOLIS	NEW ORLEANS
PHILADELPHIA	MINNEAPOLIS	BUFFALO	TOLEDO	DALLAS
BOSTON	ST. PAUL	PITTSBURGH	ATLANTA	FORT WORTH
PROVIDENCE	ST. LOUIS	DETROIT	RICHMOND	HOUSTON
WASHINGTON	KANSAS CITY	CINCINNATI	BALTIMORE	DENVER

## BUSINESS STUDIES

A number of pamphlets are available for distribution by the Chamber of Commerce of the United States. There is given below a list of some of the booklets. One copy of each will be sent free on request. A nominal charge amounting to the cost of printing will be placed on additional copies.

**Our World Trade**—January to June, 1922.  
**Free Zones**—What They Are and How They Will Benefit American Trade.

**International Credits**—Referendum No. 1, issued by the International Chamber of Commerce on the application of the Ter Meulen Plan.

**Fabricated Production Department**—Its service to those engaged in manufacturing and production.

**The Railroad Situation**—Statement of Secretary of Commerce before the Interstate Commerce Commission.

**Trade Association Activities**—Correspondence between Secretary of Commerce Hoover and Attorney General Daugherty on Legitimate Activities of Trade Associations.

**Overhead Expenses**—A Treatise on How to Distribute Them in Good and Bad Times.

**Depreciation**—A Treatment on Depreciation and Production.

**Reduction of Merchandising Expense**—Methods which Distributors Are Applying to Ease the Process of Readjustment.

**Why a Merchant Marine**—Reasons why privately owned merchant marine is a national necessity.

**Merchant Marine. National Chamber's Position**—Report of Chamber's Committee.

**Commercial Arbitration**—Statement of the field of arbitration and draft of plan.

**Schools of Your City III**—Health and Physical Education. **Perpetual Inventory or Stores Control**—How to keep inventories in materials and supplies down to the minimum consistent with efficient operation.

**Industrial Development**—Activities undertaken by Chambers of Commerce.

**National Obligation to Veterans**—The costs of war borne by the States and the government.

**Treaty Ratification**—Report of the Committee on Foreign Affairs regarding ratification of the several treaties of the Conference on the Limitation of Armament.

**Department of Commerce and Trade Associations**.

**Merchandise Turnover and Stock Control**—Knowing what is taking place, while it is taking place. Study by Domestic Distribution Department.

**Analysis of the Senate Tariff Bill**—Showing wherein it meets or fails to meet the tariff policy of the Chamber of Commerce of the United States.

**Uniform Cost Methods to Aid Production**—Address by Arthur Lazarus.

**Analysis of the Senate Bonus Bill**—Outline of provisions with estimate of cost.

time there was unanimously adopted a resolution urging that our Government take its place with the other nations of the world in this international court of justice."

Continuing, the letter points out that "so long ago as 1915 the question of the establishment of an international agency for the consideration of questions which arise between nations came before our entire membership through referendum, and at that time the principle of an international court in which our Government should take its place was favored by a majority vote of 26 to 1.

"Your suggestion that 'deliberate public opinion of today is overwhelmingly in favor of our participation,' is amply borne out, so far as it concerns commercial and trade organizations, by the definite expressions referred to above."

### Unfilled Quotas May Mean Jobs

UPON recommendation of the National Chamber's Committee on Immigration, regarding immediate relief under the present immigration law through increased immigration from countries whose quotas are not filled, the Chamber's board of directors have voted that the committee be authorized to take appropriate steps through the State Department, the Labor Department or in any other manner, to bring to the attention of citizens of such countries the fact that their quotas are unfilled opportunities for employment in the United States.

### A Protective Bureau for Retailers

THE MAGNITUDE of money and merchandise recoveries for the organized retail merchants of San Francisco, obtained through the activities of their protective bureau, is shown by reports issued by the managing director of the Retail Merchants Association, recently affiliated with the San Francisco Chamber of Commerce.

Dividends are being paid every month to the members of the Association, says the managing director, and in the two months of December and January, the Protective Bureau recovered \$4,143.58 for the stores, availing themselves of the service at a cost of slightly more than \$2,500. The actual money and goods returned through the bureau is secondary in importance to the preventive value of the work, the director believes.

The returns, divided into four classes, follow: Cash and merchandise recoveries, \$2,407.01; bad check returns, \$1,016.01; fraudulent account settlements, \$494.56, and miscellaneous returns, \$226. The protective service is conducted with the cooperation of police and other peace officers.

### Special Library Experts to Meet

THE Special Libraries Association, a national organization of all business and special librarians in the country, will hold its fourteenth annual convention in Atlantic City, Tuesday, May 22, to Friday, May 25, at the Hotel Chelsea. Librarians, business men, research workers, and statisticians are invited to attend the sessions of the convention.

The New York Special Libraries Association will hold its last monthly meeting of the year, Monday evening, May 21, and that meeting will be open to all delegates to the convention. All the special libraries of New York City are to receive visitors on Tuesday. The Special Libraries Council of Philadelphia and the District of Columbia Library Association will hold local meetings, Saturday, May 26, following the convention at Atlantic City, with opportunities to inspect the special libraries in those two cities.





## Speed up Your Shipping Room and Repair Shop

A Wallace Bench Plain Circular Saw which is portable and will operate wherever there is an electric light socket will speed up your shipping room and enable your house carpenter or repair man to do better work in less time.

With one of these light, fast, motor-driven saws you can make cases and crates as required—thus saving storage space. Incoming cases and crates can be made over to fit your own shipments, or the lumber may be reclaimed to use for other purposes. A cover for a case made in a jiffy—the saw moved about where needed. Eliminate the hand sawing and you save time and money.

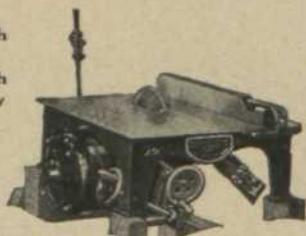
For repair work about the shops and offices the Wallace Bench Plain Saw is an actual necessity. Your house carpenter can take it to the job. Whether it's a new partition, a door, or cabinet work of any kind, the Wallace Plain Saw will quickly rip or cut the lumber to accurate sizes.

The Wallace Line of Portable Electric Bench Machines were designed to eliminate handwork and wasted steps. Your entire plant could probably benefit through a judicious distribution of the several kinds of Wallace Machines. We shall be pleased to send descriptive literature on request.

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Plain Saw  
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Wallace Bench  
6" Jointer and  
4" Planer



## Human Nature in Business

By FRED C. KELLY

ONE OF the largest laundry enterprises in the east, operating in several cities, recently called into consultation a famous engineer to learn if something couldn't be done to reduce the cost of calling for laundry and making delivery—which is about three-fourths of their total expense. If everybody brought their own laundry and called for it, a collar or even a shirt might be washed and ironed for a mere trifle. To reduce the cost of delivery, the company had installed many little motor trucks and expected gradually to eliminate horse-drawn vehicles.

The consulting engineer wasn't so sure about the economy of this and began to collect figures. To his own astonishment he found that it is cheaper to deliver laundry with a horse and wagon than with an automobile, even though it costs less per mile to operate a small motor truck than to feed and stable a horse. The reason was that with a horse and wagon the driver doesn't have to return to the wagon from each home, but can yell *Giddap* and let the horse proceed while the driver runs across lots to the next house. Thus the horse saves the cost of its feed by conserving the time of the driver. The economical way to deliver laundry, then, is to make the long hauls by motor truck, but the short house-to-house deliveries with a horse and wagon. A still better way would be to have it collected and delivered by somebody, such as the milkman or grocer, who has to go over the same territory anyhow.

LEARN that another great laundry problem is keeping the plant free from dust or soot. If a speck of dirt not much larger than a pin point alights on a clean collar, the collar has to be laundered all over again. Consequently this laundry quit burning coal and uses oil. Its employees change their shoes on arrival at the plant and put on rubber shoes which are never worn outside, where they might collect dirt. They even quit using old-fashioned wooden pencils in the building, because every time a pencil is sharpened it means just so many particles of black dust. I don't know how much money was saved by the elimination of lead pencil dust, but my hat's off to the man capable of figuring out such a fascinating mathematical problem.

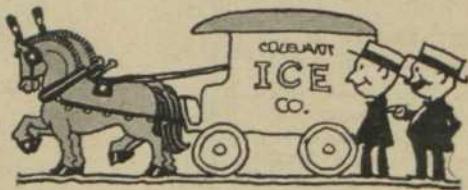
A BIG ice concern in a middle western city, one of the most successful in the United States, has long had the idea that while a good horse is merely a good horse, an exceptionally handsome horse is also an advertisement. They have wonderful big draft horses such as one would rarely see equalled outside of a circus. The horses look so happy and well cared for that no customer can feel sorry for them. Of all rules for employees the one most emphasized is: *Drivers Must Not Abuse the Horses*. The company often buys large slices of advertising space in the local papers just to say to the public that the ice company will appreciate being notified if any driver is seen abusing one of their horses.

SCHMES for getting rid of business visitors who tarry too long are gradually becoming standardized. The oldest, of course, is for the business executive's assistant secretary to poke his head in and ask: "Are you forgetting your conference with Mr. Towsler?" A certain cabinet officer has instructed his secretary to fetch him a yellow telegraph blank containing supposed tidings, after an average visitor had stayed five minutes. He looks gravely at the hypothetical message, makes a depreciating clucking sound with his lips and says: "I'll dictate a reply in just a moment."

A FRIEND of mine travels about selling more or less useful commodities to department stores. He always found that store managers are too busy to talk about buying anything on Saturday, because that is their best day to sell what they have. Consequently my friend has usually frittered away his Saturdays in motion picture theaters and other terrible places. But recently it occurred to him that Saturday might be the best day for his purposes. "How can I sell things to stores if their shelves are already filled?" he asked himself. "And if their shelves are filled, what better selling scheme could there be than to help them dispose of what they have on hand? When they need more of my stuff then they're bound to be interested when I call."

So he goes to stores on Saturdays, their busiest day, and shows them new schemes for selling and for doing this more rapidly. He pitches right in, the same as the clerks, and works like a harvest hand. Whatever he learns in one town he teaches in the next town.

When Saturday is over he has a customer who is not only indebted to him for helping sell things, but who *needs* to buy.



IT DOESN'T matter whether you have a big committee or a small one to accomplish a certain job," a wise executive

once told me. "One or two men on the committee will do the work anyhow. The only advantage of a big committee is that you have more chance to stumble upon the fellow who really knows something about the subject to be handled."

SCARCELY a week goes by that I don't hear of one more Dollar-a-Year-Man who turns out to have been greatly overestimated and didn't have so much to do with winning the war as we thought at the time. I have in mind one fellow who, when he came to Washington, had been the chief executive of a concern long in successful operation. Indeed, it had been highly successful long before he was connected with it. When he came to Washington to organize a war board it was expected that anything he touched would become equally successful. At the end of a month he discovered that it is one thing to keep a well-established enterprise going, but that to start something new, especially something for which there is no guiding precedent, is something else again. He was obliged to retire and spend the rest of the war period attending to a case of



## General Motors Accessory Companies

**A**n automobile is usually thought of as the product of a factory where raw materials pour in at one end and finished cars roll out at the other.

But certain essential car parts can be delegated to separate organizations. Thus within General Motors there are companies producing essential motor parts and equipment which are standard upon many representative makes of American passenger cars and trucks.

Some of the products of these accessory companies also find a wide variety of uses outside the automotive industry. Hyatt roller bearings are used on cranes, coal mine cars, textile machinery, trolleys, concrete mixers, belt conveyors and industrial locomotives.

The electric dental engine has its tiny

New Departure ball bearings which differ only in size from the bearings used in the huge sugar mill.

Klaxon warning signals, besides helping to make motoring safe, render a widespread service in police and fire departments, in factories, schools and mines, and on railroads and farms.

More than 175,000 farms are equipped with Delco-Light power plants which furnish electricity for labor saving machinery and electric light. Another Delco-Light product is the Frigidaire, a self-contained, automatic, electric refrigerator.

Thus General Motors Accessory Companies contribute to almost every phase of American home and industrial life.

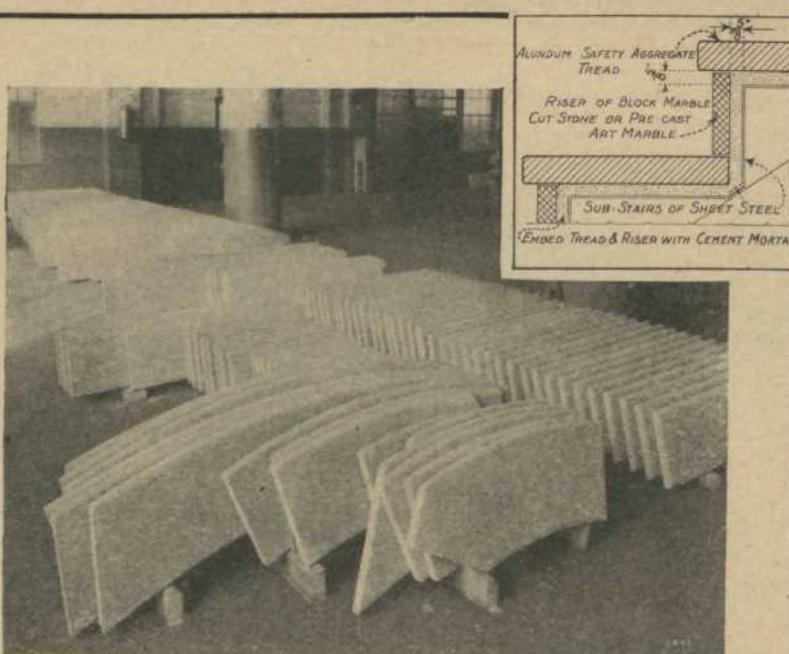
*A booklet entitled "ACCESSORY COMPANIES" will be mailed if a request is directed to the Department of Financial Publicity, General Motors Corporation, New York.*

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## TREADS that will make stair steps *slip-proof*

These Alundum Safety Aggregate Treads are to be used in one of America's finest hotels now being constructed. The detailed diagram tells its own story.

These treads are made by the same formulae used in the production of Alundum Safety Aggregate Tile. ALUNDUM products are noted for their slip-proof effectiveness and durability. They should be employed in every type of building in places where foot traffic is heavy and slipping is a factor. They are accurately finished by machine methods in a factory where abrasive products have been manufactured for a third of a century.

If interested in any floor where long life and safe walking are desirable, look up the Norton Alundum Safety Tile Products, which include tile and treads for stairs, floor tile and landing slabs.

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The NATION'S BUSINESS  
Washington, D. C.

nervous prostration. Yet none of his friends suspect even yet that he fizzled on his war job. He is back again at the head of a big enterprise and it seems to them that he just naturally *must* be a big man. They feel that it is too bad that he broke down and had to leave his war job. Otherwise, the war might have been settled much sooner.

**I**F I WERE a board of directors seeking a man to hire for a big place, I should not consider any applicant who had not started with a losing venture and made it successful. Just to stick along with an enterprise already successful is not a severe enough test.

**I**N BUSINESS, as elsewhere, it is not always easy to recognize the significance of that to which one is accustomed. An eastern man came to an Ohio city, seeking a location for a store on one of the main streets, and applied to a local real estate agent to see what might be done. Not a single space in the vicinity he desired was available.

"I thought," he remarked, "there might be a chance to buy the lease of the little bakery up the street."

"Why did you think that?" inquired the real estate man.

"Because it is the one store on the street that isn't making good."

"How did you know that?"

"By looking at the store and noticing how many people go into it."

"How long have you been in town?"

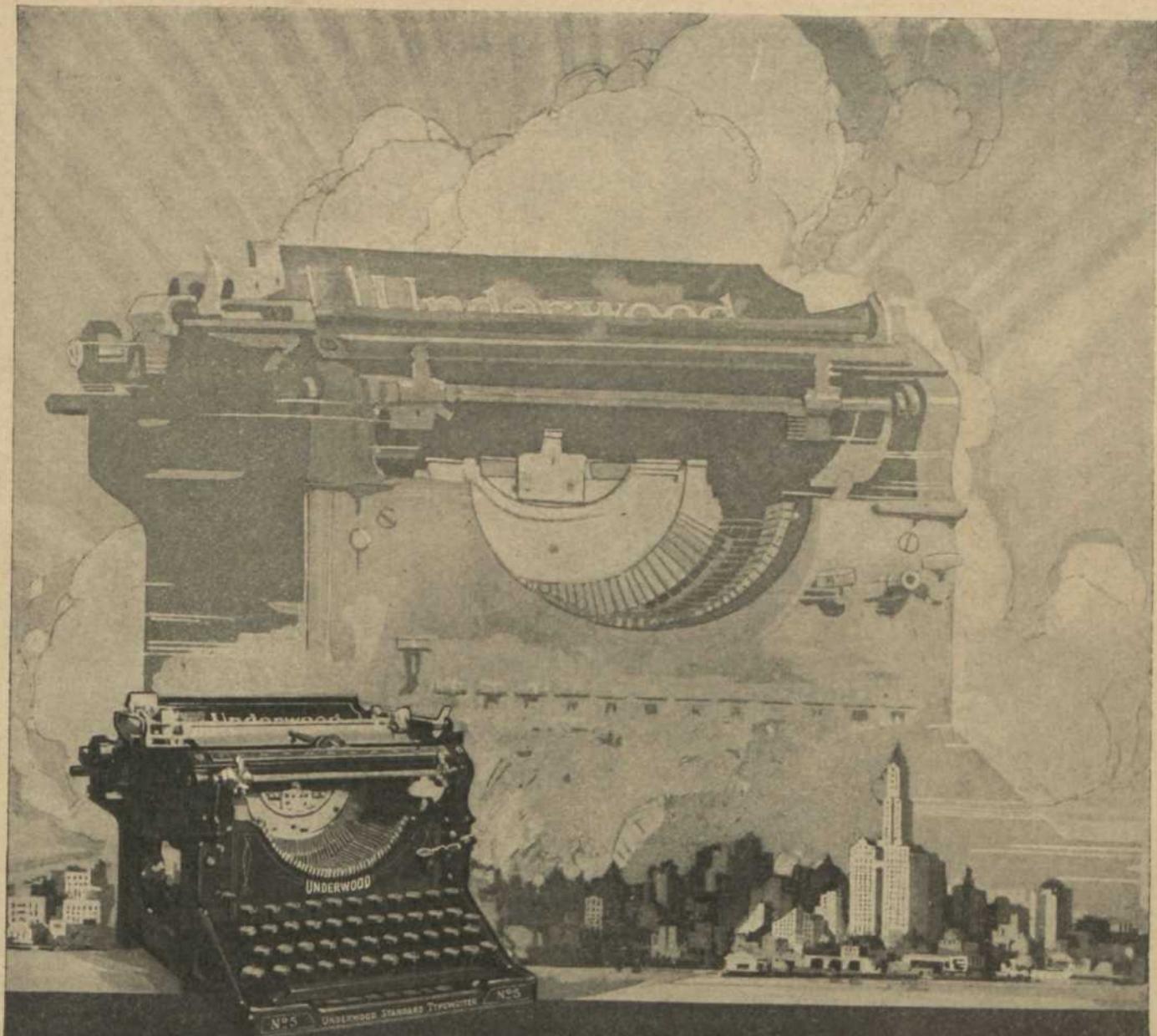
"About three hours and a half."

The real estate man was amazed. He had been seeking a lease for clients, on the street mentioned, for many weeks, but it had never occurred to him to get any information just by walking along and looking at the stores. It required an outsider, with a fresh point of view, to see the real fact. They went to the bakery proprietor and succeeded in buying his lease.



**A**NOTHER recent psychological experiment was to determine the effect of music on men at work in an architectural drawing room. A phonograph was used to supply the music. Nearly all the men declared that the music made the work easier. They preferred instrumental music to vocal, and familiar music to unfamiliar. Frequent short periods of music seemed to give the best results.

**A**STATISTICAL study was recently made by university students of nearly three hundred persons who had signed testimonials for various advertised articles. Letters were written to the authors of those testimonials requesting further information about the merit of the articles. The inquirers enclosed stamped envelopes for reply. Only about half of those who had recommended certain articles wrote favorably in their letters. Several were downright discouraging. Incidentally, more than twice as many of the testimonials had been written by men as by women.



More than **Two Million**  
**UNDERWOOD**  
typewriters are in use  
*They Speed the World's Business*

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BRANCHES IN ALL PRINCIPAL CITIES

## "Always Good~Now Better than Ever"

Only the quality that brings constant, never-failing service to owners could have laid the foundation for Federal's present enviable position. It is one of the soundest companies financially with a dealer and service organization covering the country, backed by a 12 years' record of success.

Ask the Federal dealer near you to show you the truck best fitted to your hauling needs, from the complete Federal line of 8 capacities.

### The 5 to 6 Ton

Truck owners are amazed at the power and stamina of the Federal 5 to 6 ton. Capacity loads are being carried over soft roads; out of deep excavations; anywhere the wheels can get traction. It is doubtful if any truck anywhere ever equalled it for pulling power.

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## ELECTRIC POWER IN ANY QUANTITY

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Costs  
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Any questions gladly answered  
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## What May a Trade Association Do?

NO SUBJECT has received more attention from the United States Chamber of Commerce than restraint of trade and the laws regarding it. At the second annual meeting of the Chamber, in 1914, discussion of this subject occupied the greater part of the program. Four of the Chamber's referenda have been devoted to the subject in its different aspects.

In view of the suggestions which from time to time are placed before the public that trade associations operate in restraint of trade the Board of Directors in the spring of 1922 decided that it was timely to have a special committee make a study of trade associations.

The committee's report and recommendations constitute the basis of a referendum submitted by the Chamber to its membership. The propositions on which the Chamber's membership will vote "yes" or "no" are:

Because of numerous useful and important functions of obvious propriety trade associations should exist for each important branch of industry and commerce.

A trade association should have such a membership that it can be representative of the industry in connection with problems affecting the general advance of the industry.

A trade association should be prepared to consider all problems affecting the general advance of its industry.

Trade associations should continue free from special forms of government control.

Statistics of capacity, production, stocks, and sales should be collected by a trade association.

Statistics of actual prices in closed transactions should be collected by a trade association for its industry.

Any interpretation of statistics or other comment which could induce or facilitate concerted action on the part of members should be omitted by a trade association.

Statistics of capacity production, stocks, sales, and prices a trade association should make as available to the public and to government agencies as to members.

### Functions of Associations

CHARACTERISTIC functions of trade associations include the standardizing and safeguarding of the quality of goods, the reducing of waste in manufacture and distribution, the promoting of trade—both domestic and foreign, and the upbuilding of industry and commerce in many other ways. To come within the committee's definition of a trade association, "the membership must be so representative that all problems pertaining to the field can be adequately presented for common consideration and solution and with the purpose of developing the field so as to have the enterprises in it conducted with the greatest economy and efficiency."

Governmental interest in the activities of trade associations is then considered with the conclusion that:

Any attempt on the part of governmental authority to control trade associations in all of their activities would inevitably restrict the freedom of action of trade associations in meeting the problems which they exist to solve. These problems involve activities regarding which no legal question has ever arisen and the solution of which promotes the public interest by aiding economic advancement. The essential quality of a successful trade association is its ability in any contingency, no matter how sudden, to concentrate immediately the most expert thought and the best experience of its industry to devise the measures that are to be taken.

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Emphasizing the necessity for a statistical knowledge of production costs, the extent of the effective demand for commodities, and selling prices, the committee agreed that "every business enterprise which has a proper place in the community must have the fullest and most definite information on the subject of production, markets, and prices." All of the desired information cannot be obtained from Government agencies, asserts the report, and in order to supply this defect—

some trade associations have included in their activities the operation of a department of statistics for the speedy and economic gathering and distributing of information regarding their commodities.

That the courts and investigations made by the Secretary of Commerce have disclosed a small minority of associations which may have misused statistics in carrying out a scheme to restrain trade we believe in no way invalidates or discredits legitimate collection and distribution of trade statistics by associations. On the contrary, your committee is confident that proper statistical activities on the part of trade associations not only do not run in contravention of laws respecting restraints of trade but actively encourage and develop trade.

#### Recommends Publicity

After discussing the value of statistical studies to trade associations, the committee recommended that "every trade association that collects statistics should, immediately upon issuing the statistics to the membership, furnish them to the public press and to the Department of Commerce, the Federal Trade Commission, the Department of Justice, and such other government agencies as may have use for them."

Translating its careful consideration into pertinent principles, the committee has recommended in the direction of statistical activities that—

Reports of members to their associations should be accurate and sufficiently complete to prevent misconstruction;

As distributed to the membership, the statistics should not be accompanied with any interpretation or other comment which could induce or facilitate concerted action on the part of members;

All statistics regarding prices should be confined to closed transactions, and should not refer to pending transactions or future transactions.

The voluntary reporting of such information to trade associations, and the subsequent publication or dissemination of such information in a manner which makes it available not only to contributors, but also to consumers and to the public generally, is beneficial alike to the field of business and the public and does not constitute a restraint of trade.

The members of the committee are:

PHILIP H. GADSDEN, formerly president of the American Railway Association, Philadelphia.

T. S. ADAMS, economist, of New Haven.

F. R. BABCOCK, lumber operator and dealer, of Pittsburgh.

GEORGE A. BASS, brick manufacturer of St. Louis.

CHARLES J. BRAND, former vice-president and general manager, American Fruit Growers, Pittsburgh.

HENRY S. DENNISON, manufacturer, of Framingham, Mass.

JAMES R. MCCOLL, manufacturer, of Pawtucket, R. I.

J. D. A. MORROW, formerly vice-president, National Coal Association, Washington.

ALFRED REEVES, general manager, National Automobile Chamber of Commerce, New York.

GEORGE RUBLEE, lawyer, Washington.



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Long-Bell lumber comes to the job surfaced four sides.

It has had unusual care in trimming.

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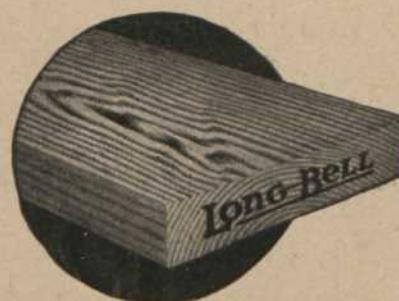
To the carpenter these things mean he can do a *better* job in *quicker* time because—

He can fabricate Long-Bell lumber with a minimum of planing, sawing and sorting.

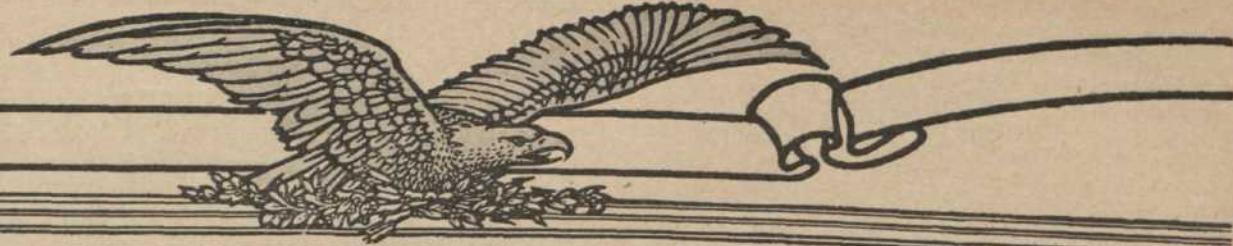
To those for whom he is working, these things mean they will get a *better building for less money*.

*Ask Your Lumberman  
for Long-Bell Lumber*

**The Long-Bell Lumber Company**  
BALONG BUILDING Lumbermen since 1875 KANSAS CITY, MO.



Long-Bell lumber may be identified by the Long-Bell trade-mark on the end of the board.


**WAR DEPARTMENT**
**APRIL**

April 17—**Q. M. Supplies**, Philadelphia, Pa., Auction. For catalog write Q. M. S. O., 1st Ave. & 59th St., Brooklyn, N. Y.

April 17—**Buildings & Improvements**, Camp Eustis, Va., Sealed Bids. For proposal write C. O., Camp Eustis, Va.

April 19—**Q. M. Supplies**, New Cumberland, Pa., Auction. For catalog write Q. M. S. O., 1st Ave. & 59th St., Brooklyn, N. Y.

April 24—**Q. M. Supplies**, Camp Jackson, S. C., Auction. For catalog write Q. M. S. O., 1st Ave. & 59th St., Brooklyn, N. Y.

April 27—**Q. M. Supplies**, New Orleans, La., Auction. For catalog write Q. M. S. O., 1st Ave. & 59th St., Brooklyn, N. Y.

**MAY**

(These sales subject to change  
May 1—**Q. M. Supplies**,

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**SELLING PROGRAM**

San Antonio, Tex., Auction. For catalog write Q. M. S. O., Fort Sam Houston, San Antonio, Tex.

May 2—**Air Service Supplies**, San Antonio, Tex., Auction. For catalog write M. D & S. Sect., A. S. Room 2624, Munitions Bldg., Washington, D. C.

May 4—**Q. M. Supplies**, St. Louis, Mo., Auction. For catalog write Q. M. S. O., General Intermediate Depot, 1819 W. Pershing Road, Chicago, Ill.

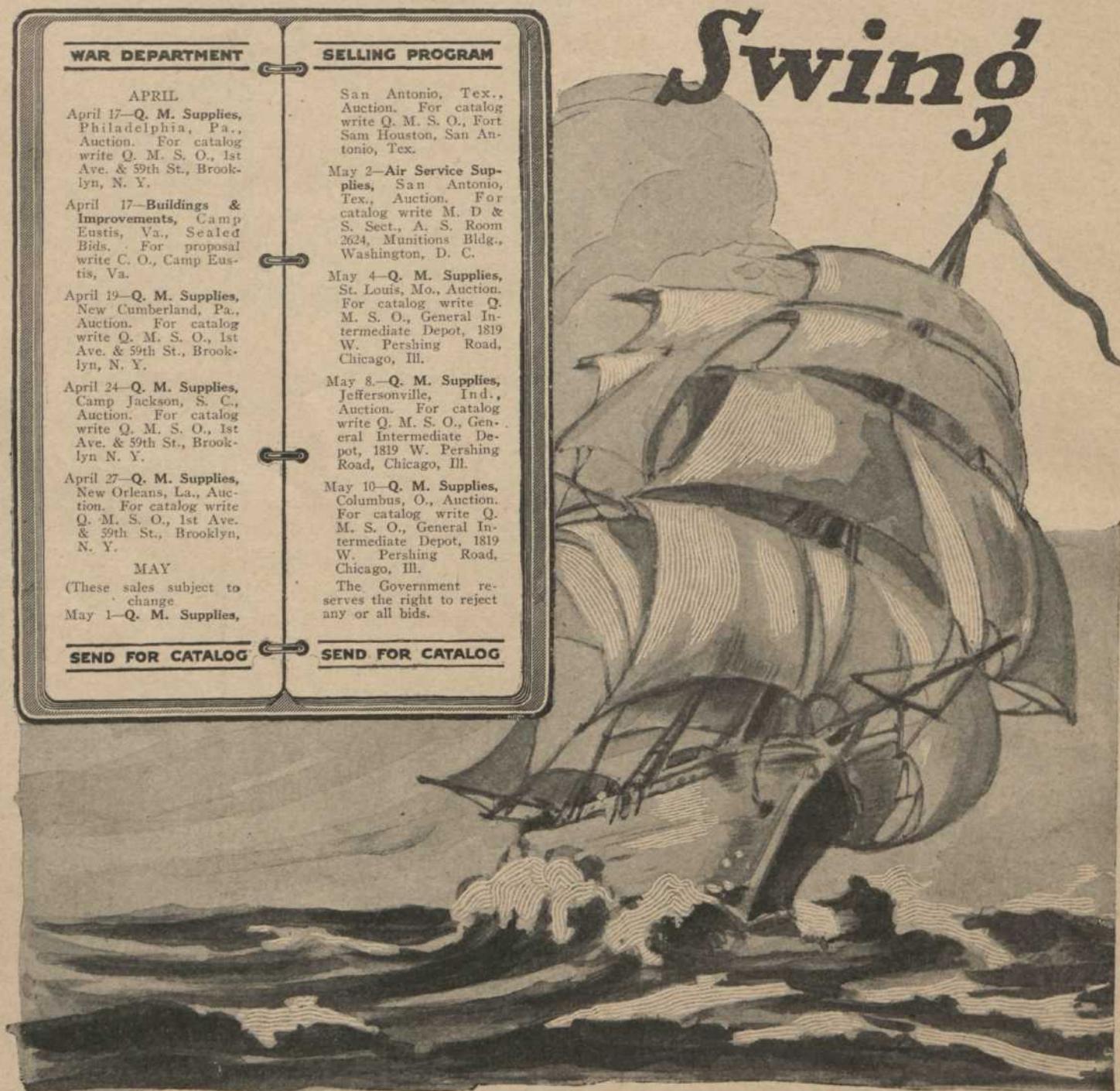
May 8—**Q. M. Supplies**, Jeffersonville, Ind., Auction. For catalog write Q. M. S. O., General Intermediate Depot, 1819 W. Pershing Road, Chicago, Ill.

May 10—**Q. M. Supplies**, Columbus, O., Auction. For catalog write Q. M. S. O., General Intermediate Depot, 1819 W. Pershing Road, Chicago, Ill.

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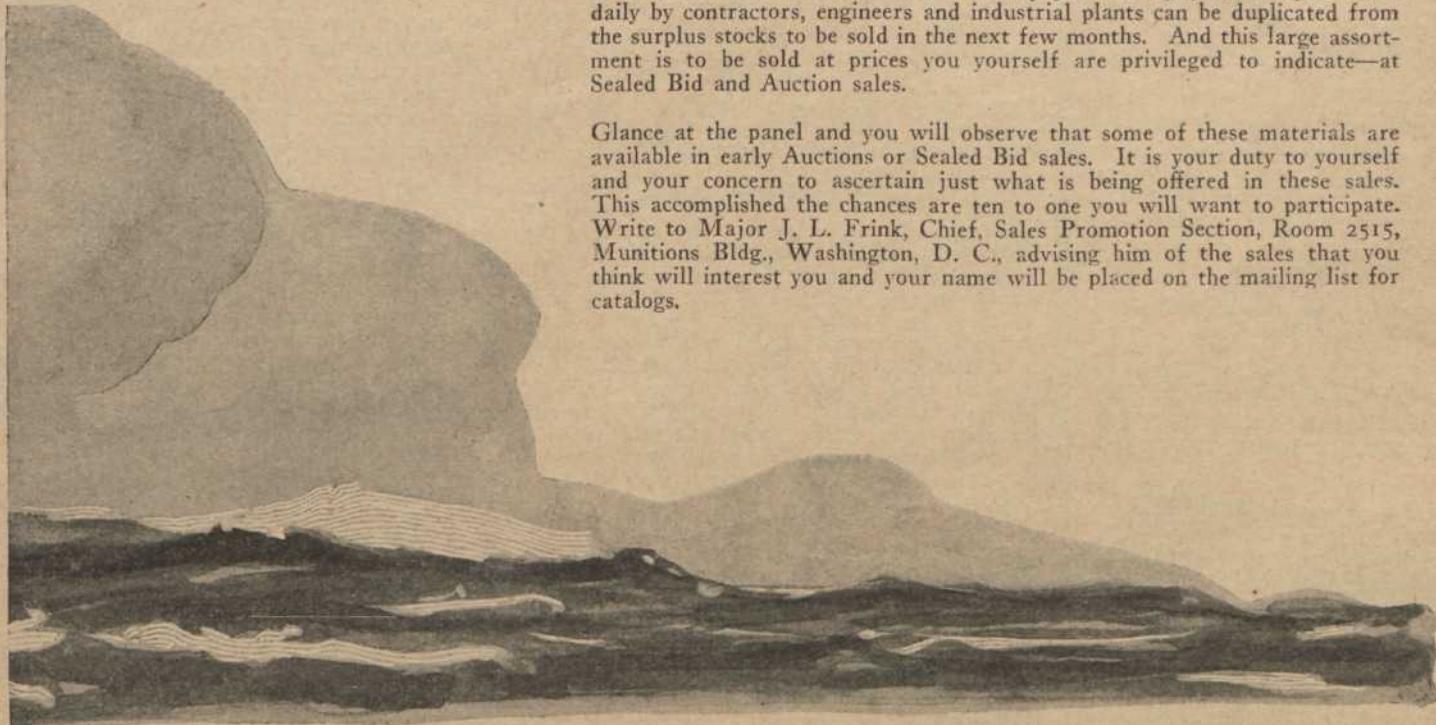
# *into the tradewinds*

War Department Surplus Property Sales offer commercial and industrial buyers a safe, easy and smooth-going course straight to the port of profits. During the four years this course has been charted farsighted and shrewd buyers have purchased over two billion dollars worth of the materials that were choking Army warehouses when our millions of soldiers were withdrawn from service.

As a result of War Department Surplus Property Sales revolutionary changes in business procedure have been made. Main street has taken on a new complexion; huge department stores have reorganized their departments; industry-at-large has discovered a way out of the dilemma of prohibitive prices and delayed deliveries of raw materials, equipment and general supplies. The transformation has been a revelation even to the originators of this 20th century jobbing enterprise.

There are millions of dollars worth more of this surplus available before the War Department abandons its jobbing activities. Nearly every piece of merchandise sold over the counter—every piece of equipment requisitioned daily by contractors, engineers and industrial plants can be duplicated from the surplus stocks to be sold in the next few months. And this large assortment is to be sold at prices you yourself are privileged to indicate—at Sealed Bid and Auction sales.

Glance at the panel and you will observe that some of these materials are available in early Auctions or Sealed Bid sales. It is your duty to yourself and your concern to ascertain just what is being offered in these sales. This accomplished the chances are ten to one you will want to participate. Write to Major J. L. Frink, Chief, Sales Promotion Section, Room 2515, Munitions Bldg., Washington, D. C., advising him of the sales that you think will interest you and your name will be placed on the mailing list for catalogs.



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# Nation's Business Observatory

### What the Employers Ask Is Not Just Cheap Labor

**O**PINIONS on immigration matters are coming forward in great volume and variety. The *Textile World* points out the necessity for a careful study of the history of immigration during the last half century. Defining the position of manufacturers, the editor writes that—

There seems to be a popular impression that American manufacturers want only one thing, namely, an unlimited supply of cheap foreign labor. This impression is not borne out by interviews with textile executives. There may have been a time when the average employer thought that a plentiful labor supply, irrespective of its character, meant cheaper production and greater profits. Manufacturers of vision do not share this belief today. They realize that the influx of inferior types of immigrants cannot fail to have an injurious effect upon the country as a whole, and upon industry in particular.

Laborers lacking in mental alertness and sincerity, and disinclined to subscribe to the principles upon which this democracy is based, will be found to be expensive at any price. A large body of unemployed, breeding discontent and anarchy, is the worst obstacle to business progress. Wage levels cannot be considered apart from the quantity and quality of labor actually received.

No immediate probability of increasing the supply of labor needed by the iron and steel and other industries is envisioned by the *Iron Age*. If the prevailing policy is one of rigid limitation by selective processes, the question of how labor can be made more efficient is one of increasing importance to the country, says the editor. The possibilities of improved machinery and the effect of wage differences are suggested in his conclusion:

With increased acceleration the white-shirt job is coming into competition with that of the overalls. The higher wage return to the manual worker in recent years has not as yet diverted large numbers from brain working pursuits, but the money difference may rise sufficiently to offset distasteful features. And further mechanical contrivances and material handling inventions may give some distinction to the lower orders of labor not now accorded mere "hewers" and "drawers" and an improvement in employer-employee relations may promise the reasonable continuity of employment and freedom from union domination desired by the white-shirt type of worker.

Unless the efficiency of a vast number of employees can be increased by the leavening influence of men of varying degrees of education, through invention, cooperation and participation, and by the reduction of industrial warfare, many industries will be seriously embarrassed and the economic progress of the country will be greatly retarded.

Likening the native American stock to a clear stream in contact with a stream of the polluted population of southern Europe, the *Manufacturers Record* declares that—

We have already had too much pollution. We have poisoned the stream of American life with the anarchistic, bolshevistic spirit, bred through thousands of years of oppression, of a people of different race and different breed, and different thought from the people who founded this Government.

It is a false idea to think of this country as the haven for all of the people of the world, the *Record* asserts and then adds that—

If we want labor in unlimited quantities to such an extent that we are willing to sacrifice the country for temporary material prosperity and for cheapness of labor, let us bring in a few million Asiatics. Such a proposition would instantly be denounced by employers as well as by employees, and by all who are interested in the welfare of the country. But it would be just as sensible as it is to try to take down the bars against immigration and let the flood tide of the degraded, the corrupt, the alien races of Southern Europe pour in a limitless stream into our country. . . .

Despite all the clamor for increased immigration, all the talk about the scarcity of labor and the power which this gives the laboring man over the wage question, the *Manufacturers Record*, seeking only the welfare of the country regardless of individual interests or present conditions, would stress with all its power a warning against lessening the restrictions on immigration until we have Americanized, civilized and evangelized the millions of aliens in this country—and that will take many years, for the progress in that direction is very slow.

### Not Every One Feels That We Have Too Many Retailers

**T**HE BELIEF that there are too many retailers is persistent and has active circulation. This belief may be nothing but a bubble of opinion, as the editor of the *Crockery and Glass Journal* suspects. He does not mind fads and fancies masquerading under the guise of facts so long as they are harmless—"transitory illusions and delusions are not very important"—but in business, he thinks, "we should hew pretty close to the line, to the line of common sense, resting on the foundation of facts and figures, and not upon opinions."

Of reforms, he writes:

Reforms in business are always of doubtful value and very often are harmful. And one of the most imposing of these reforms is that there are too many retailers. From the ideal economic viewpoint doubtless there are. But if we carry the same reasoning a little further we will certainly find that there are too many manufacturers, too many newspapers, too many salesmen, too many politicians, and too many workers engaged in everything except farming. But this line of reasoning is nothing but a circle of opinion and we return always to the starting point. There is nothing constructive in it, for while we are told that there are too many retailers, we are not told how to reduce their number, or what should be done with the retailers and their employees after they close their stores. . . .

From the Census Bureau we can find the number of persons employed in all industries, but there are no figures compiled of establishments and private estimates are too limited to even give a rough approximation. There is thus no proof that there are too many retailers and no one can be cited as an authority for determining that there is or is not a necessary distributive link from producer to consumer. Unquestionably there are too many retailers who do not manage their stores as efficiently and economically as possible, but that is quite a different thing from too many retailers.

The advantages of the efficiency of corporate management of production is being lost through the increased cost of living traceable to the excessive cost of distribution, in the opinion of Charles P. Steinmetz, chief consulting engineer of the General Electric Company. One solution of the problem of obtaining better methods of distribution, he

thinks, would be to apply the efficient methods of production to distribution—that is, "corporate distribution, wiping out the mass of small, inefficient distributors, just as corporate production has wiped out the mass of small, inefficient producers."

A serious contingency would develop with this step, he warns, for it "would entail the wiping out what remains of the conservative, independent middle class." With the elimination of the conservative middle class, there would be left only a small group of capitalists and a great mass of radical and possibly revolutionary proletarians, looking at the eventualities through the eyes of Dr. Steinmetz, who concludes that such a condition "spells disaster."

Commenting on the views of Dr. Steinmetz, the *Dry Goods Economist* suggests that the proposed dosage may carry more serious consequences than the malady itself.

We hope that these views will receive from those who are studying this problem of distribution cost the attention they deserve. Doubtless, from certain standpoints our present methods of retail distribution are uneconomical; it may be that the number of retailers ought to be reduced. There is no doubt, however, that the elimination of a large proportion of small neighborhood stores and the replacing of these with a few great central emporiums would seriously interfere with the convenience if not the comfort of numerous families. This is especially true of the larger centers, where travel in any form is congested and therefore both slow and wearisome. And if, as Dr. Steinmetz suggests, the elimination of such stores would further diminish and attenuate the independent middle class and add to the dissatisfied, radical and revolutionary element, already sufficiently strong, is it not clear that the remedy proposed in the wiping out of numerous retailers would prove even more serious than the "disease" of excessive distribution cost?

#### Answering a Charge as to the Cost of Farm Implements

HOW HAS it become possible for a farmer and one hired man to farm 160 acres where formerly it took the time of a farmer and his entire family to care for about 2 acres of land, asks *Farm Machinery-Farm Power*, and then finds answer in "modern improved farm machinery." Referring to the elimination of drudgery on the farm, and the increased production achieved through the machinery now available to farmers, the editor says:

Is it not about time that the farmers realize its importance, accept it as a most essential co-partner and entitled to fair consideration rather than to be made the football of demagogic politicians, who, knowing absolutely nothing about farm implement construction, or the problems of distribution, or the great service rendered by these implements, are constantly condemning farm implement manufacturers and claiming that implement prices are too high?

Suggesting that farmers make cost comparisons of the services obtained from agricultural implements with other purchases at similar prices, the journal concludes that

Unless the manufacture of farm implements can be placed on a profitable basis, and the farmers be willing to pay for the great service rendered by these implements; unless the demoralizing losses of the past two years can be changed to a reasonable profit; unless this profit warrants continued research by experimental departments to develop still better machinery; unless our present high production per man can be maintained or increased (and it can only be done by modern farm machinery),

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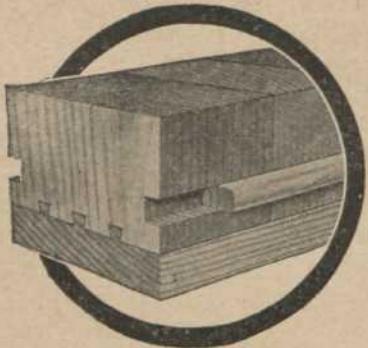
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Washington, D. C.

then the American farmer will have something real and tangible around which to write his own epitaph, which may be summed up in a few words:

"He did not recognize his friends until they had passed by."

### The High Cost of Distribution Is Disturbing England Also

THE COST of distribution continues to agitate governments. The scope of the recent investigation made in this country by the Joint Commission of Agricultural Inquiry and the present study undertaken by the Coal Fact Finding Commission is closely paralleled by the subjects assigned to government committees in England.

Commenting on the difficulty encountered by the lay mind in understanding why an article should cost the consumer double the price paid for it at the factory, a correspondent of the *Yorkshire Post* adds that it is not unnatural for people to assume that profits (meaning net profits, of course) are largely responsible for the difference.

The actual net profit, according to traders, he says, is generally less than 5 per cent of the actual sale price, although for wholesale merchants the average figure is much lower; and further:

Net profits, taking commerce as a whole, traders tell us, are only a subsidiary factor in the enormous difference between factory and the retail selling prices, which is largely represented by the actual expenses.

The problem of distributive costs is pressing for solution in England, as it is in this country. The *Post's* correspondent believes that—

Neither manufacturers nor the public are satisfied with things as they are, and distributors themselves know that sooner or later the question has got to be tackled in earnest.

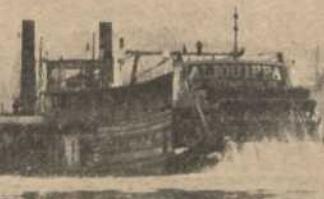
If distributive costs are excessive, why are they excessive? The *Post* provides an answer in the following paragraph:

It may be argued that competition furnishes an effective check on profits. Theoretically, that is true, but in practice competition is sometimes more apparent than real. The customary rate of gross profit in any trade invariably bears some relation to the earning capacity of the least efficient. The big profits of the efficient are possible only because there are far too many inefficient shopkeepers struggling to make ends meet. In a sentence, costs of distribution are excessive because distributive traders at large are functioning much under their full capacity. It is for distributive traders to put their house in order.

The inquiry into the relative costs of production and distribution in the industry and trade of coal-mining was entrusted to a sub-committee of the Ministry of Mines Advisory Committee. Referring to the facts adduced and the opinions expressed by that sub-committee, the *Post* says:

Two facts stand out clearly—that if the public are paying an unduly high price for their coal, this is not due either to excessive profits of the owners or excessive wages of the men who work the collieries. Last August, the date on which comparisons with pre-war figures are based, wages were at the minimum in all the colliery districts, and the average earnings were but 42 per cent over those of 1914. Owing to decreased production, the wages cost per ton were 62 per cent higher, but other costs at the colliery had risen by 135 per cent. For this there were many reasons, some of which were quite out of the control of the owners or the management, such as the great increase in local rates

# STEEL and Distribution



*The Aliquippa, of the Jones & Laughlin fleet, going down the Ohio with a tow of eight 200-foot barges loaded with 7,000 tons of steel products to be distributed by rail from St. Louis and Memphis into the West and Southwest*

**I**N AN EXHAUSTIVE REPORT of its studies in marketing and distribution, filed last year, the Joint Commission of Agricultural Inquiry of the 67th Congress says:

"The Commission is convinced that the problem of distribution is one of the most important economic problems before the American people, and that only through its solution can there be equitable adjustment among agriculture, industry, transportation, labor, finance and commerce. . . . We have now reached a point where it costs more to distribute and serve than it costs to produce."

In studying the problem of reducing costs of distribution, the steel industry in the Pittsburgh District found the factor of transportation to be the most pressing. Faced with restriction of business on account of conditions in rail transportation since the war, the leading steel manufacturers were forced to seek supplementary facilities for delivery of their products to customers. The waterways of the district, used in conjunction with the railroads, were the facility most readily available.

The first to turn to the rivers for partial relief was the Jones & Laughlin Steel Corporation. They began a delivery service of their products in barges on the Ohio and Mississippi in October, 1921, taking equipment from their long-established coal transport service on the Monongahela river and converting it temporarily to the new use. The service has been more or less regular, depending upon whether or not there was enough water for navigation in the uncanalized reaches of the lower Ohio.

The disposition of Congress to provide for early completion of river channels, coupled with the successful outcome of their experiments, have determined Jones & Laughlin to establish the service upon a permanent basis as the J. & L. STEEL SERVICE.

The new service, with new steamboats, new steel barges and other equipment especially designed for it, will continue transporting thousands of tons of steel products on the Ohio

and Mississippi rivers. The cargoes in many instances, as hitherto, will be transferred into railroad cars at downriver ports for shipment inland. About 50,000 tons of J. & L. products, such as wire nails, barbed wire, agricultural fence, steel pipe, bars, plates, structural shapes, and tinplate, have been delivered to customers in this manner. It is anticipated that the volume of deliveries will increase, especially after the various river channel projects are completed as planned by the United States Engineers.

The total sum of money needed to put the entire 6,000-mile system of navigable rivers in the Mississippi Valley in condition for use the year around as low-rate freight highways, would be a small outlay of public funds, indeed, compared with the billion, eight hundred millions of dollars of the taxpayers' money expended in the disastrous experiment of government operation of the railroads, and the aftermath of earnings' guarantees and damage settlements, as reported by the Director General of Railroads and transmitted to Congress by the President on February 3, 1923, an experiment which brought in its train only a flock of ills from which the railroads continue to suffer, and through them, business in general.

While this costly experiment was going on, the Government invested a few millions in water transportation to establish the Mississippi-Warrior Service, a barge line. The service was co-ordinated with the railroads through the Interstate Commerce Commission with a schedule of rates established at 20 per cent under the rail rates, and is today not only *earning the Government a profit*, but last fiscal year *saved to the public above a million dollars* in freight bills.

These records of successful operation of a private steel delivery line and of the Federal barge line, with their benefits to consumers, would seem to indicate that a solution in part of the problem of cutting down national distribution costs may be arrived at by the early completion of the trunk-line rivers and the public use of them not in competition, but in conjunction with the railroads to procure for the nation *cheaper transportation* of all its commodities.

## Jones & Laughlin Steel Corporation

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and the higher contributions for health and unemployment insurance. The committee points out, with obvious truth, that so long as the demand for coal is slack, these overhead charges must be relatively high, and they conclude generally that the main thing to which the industry must look for a revival of its prosperity is the restoration of active trade.

The report showed that in most other industries wages are very much higher, compared with the pre-war rates, than those of the miners. Cartage, freight, and dock charges were found to be much above the 1914 levels, and although the committee thought some of the charges could be pared down considerably, the *Post* is inclined to doubt that the report is a very helpful contribution to the solution of the problem. There is a strong flavor of scepticism in its conclusion:

... They do not think it possible to sell coal at the pits lower on the average than the prices now charged, and though distribution costs may be reduced somewhat, the margin between pit prices and the retail price to the consumer will, in the present circumstances of transport and distribution, remain substantial. This supports the proposition that the whole subject of distribution costs needs close examination, and one direction in which the inquiry should proceed would be towards cooperative or direct selling, with a view to the elimination of intermediate profits.

### Disposition of Ruhr Coal

#### Affects Our Dye Makers

CURTAILMENT of the production of German chemical plants in the Ruhr region by reason of the French occupation depends on the possible diversion of raw materials to other industries, asserts the *Oil, Paint and Drug Reporter* in pointing out the relation between Ruhr coal and American dyes.

Nebulous as may be any conception of the situation in which the German dye industry may shortly find itself, the problem of the Ruhr holds a deal of interest for the American organic chemical industry. Consumers of dyes and allied products do not look with favor on sources where the possibilities of continued supplies are as uncertain as those of the German industry at the present time. This re-opens the opportunity which faced American manufacturers a few years ago, when they were in a far less favorable position to take advantage thereof. Today the American industry can offer meritorious products in adequate and uninterrupted supply. The matter of assuring a sufficiency of raw materials for the expansion which seems to be imminent should be gone about promptly and earnestly, and the regaining of a foothold—a firm one this time—undertaken.

A note of pessimism is sounded by the *Textile Colorist*, which finds the domestic dyestuff industry in a troublesome tangle, with an indefinite tariff as the chief cause of confusion.

Since the passage of the tariff act, importation has been an impossibility. Hundreds of thousands of dollars' worth of dyestuffs and similar products are in bonded warehouses, incapable of removal because the government officials are unable to apply the complicated laws.

The textile mills are without dyestuffs, their business demoralized, and their future uncertain.

The rate of duty assessable upon a dyestuff upon the date of its shipment from Europe is doubled before the goods reach this country, and cannot be obtained at even these greatly increased costs because of the governmental

necessity of determining the rate of duty consistent with the question of domestic manufacture.

American valuations! Months of arguments and conferences have resulted in the uncovering of misrepresentations and fraud—and nothing else.

Similitude! No practical application of the word has as yet been found.

Domestic production! No common basis of agreement as to proper amounts and proper prices has as yet been reached.

The war of words started by the representatives of the domestic manufacturers during the tariff formation is being continued in the tariff application.

There is but one result—a result most serious to the domestic industry—and that is a constant increasing estrangement of the dyestuff consumers.

### Union Labor's Entry Into

#### Banking Hailed as Good Omen

THE ENTRY of the Brotherhood of Locomotive Engineers into banking through the purchase of a substantial interest in a trust company in New York, following on a similar move in Cleveland and other cities, receives wide notice in the financial and trade press. Editorial comment runs strongly to the belief that this latest venture of organized labor heralds a more sympathetic understanding between labor and capital—"the old barriers of antagonism and suspicion are disappearing; instead of the representatives of labor being arrayed against the representatives of capital, they will assemble harmoniously around the directors' table."

As the *Commercial and Financial Chronicle* expresses it:

As we have already remarked, when labor has gotten under way in its new field as a dealer in credits, it will find that banking is not so unhuman in feeling, or so greedy, or so easy, as it had imagined. The old notion that banking consists in lending out other folks' money at interest has no more foundation than the other notion that the employer grinds up his workers into profits. Business consists in producing or trading, at a profit, but it has its perils, its problems, its worries, and the counting room is not always or necessarily a happier place than the work room. Capital is only the unconsumed product of labor, and nobody has a monopoly of it; the ardent money-hater needs only to become a money-getter, by the old processes of industry, initiative and saving, and then he will become a money-lover; he will love it as a potential doer of good, not as something to be hoarded and gloated over for its own sake. Not money, but "the love of money" (the perverted love) is declared by Paul to be the root of all evil.

The association of labor leaders with business men in the intricacies of banking is welcomed by the *Financial World*, which regards the new alliance as a powerful check to the encroachments of radicalism in these states.

When the Brotherhood of Locomotive Engineers bought a substantial interest in one of New York City's strong trust companies it completed a notable evolution in the movement of labor in this country. It was a step that brought labor closer to capital, for nothing makes men more cautious and conservative in their attitude towards property than to become the trustees of money.

The invasion into the banking field by labor is not a recent development, for the Brotherhood of Locomotive Engineers already has in successful operation its own bank in Cleveland, and proposes to start one here.

Nor is the banking world disturbed by this evolution in labor, for it means a stalwart bulkhead against all waves of radicalism in



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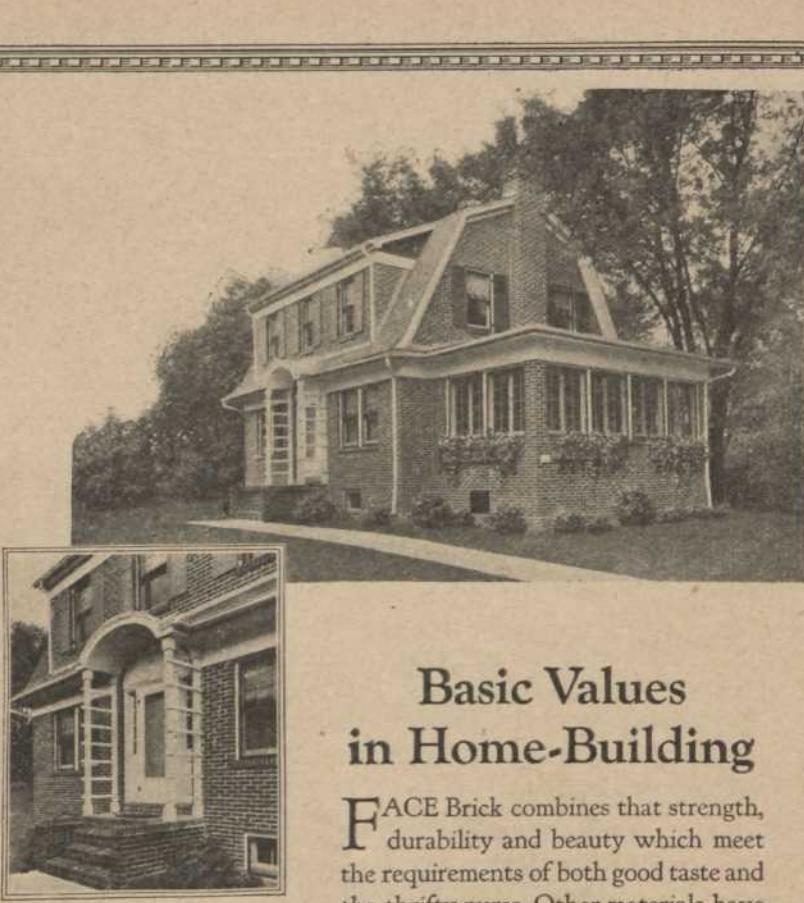
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this country. In the first place it brings about a closer alliance between capital and labor by making the latter in part capitalist itself, because of its responsibility as a banker.

The handling of money is the greatest incentive for conservatism. The further the Brotherhood gets into the intricacies of banking the more it will realize that, out of the employment of money, the smallest share of the gain falls to money itself. That is, when it is handled as a conservative bank should handle it.

### Women Exchange Gift Gloves For Hosiery, Say Glovemakers

MAKERS of women's gloves are still trying to place their industry on a more prosperous basis. Their concern over the shrinkage of sales was noted in the March number of THE NATION'S BUSINESS, with women's interest in outdoor sports and the ubiquitous cigarette regarded as chief contributors to the decline in the popularity of glove-wearing. Now comes the *Glovers' Review* with the statement that of the gloves that are sold for gifts, many are exchanged for silk hosiery. Says the *Review*:

In this issue of the *Review* one member of the staff reports a retailer as saying in regard to his holiday trade, "Not a few of the gloves purchased in my department for gift purposes have been returned in exchange for silk hosiery." Is it any wonder that retailer continued: "A deeper appreciation of fine handwear must be established before we can hope to sell gloves as freely for gift purposes as in the past." But he need not have limited his statement to "gift purposes." At a recent fashionable wedding attended by nearly three hundred guests, only two women, the bride and her mother, wore gloves, and they did so at the insistence of the head of the house, who is a glove man.

So these are the signs of the times in the glove field—women so lack interest in gloves that they exchange those given them for silk stockings, and both manufacturers and distributors are awake to the fact that something must be done to restore gloves to their former standing as articles of apparel.

### Let Us For a Moment Consider the Wife in Business

THERE ARE wives and wives. What sort of more or less silent partner meets the searching test of the upward climb with friend husband? An English industrial leader turns new light on this question and reveals the ideal helpmeet in seeking an executive manager for a large business which he and his associates control. A young man with impressive qualifications had been recommended to the Englishman, says Edwin B. Parker in the *Texaco Star*, whereupon the following conversation ensued:

"The man will do. What of his wife?" "I have barely met his wife," I replied, "but she seems to be a pleasant, amiable, rather negative young woman, fond of her husband and two children, may be a little spoiled by indulgent parents. Most of her life has been spent in a small town in the middle west and she is a little dazzled, perhaps a trifle hypnotized, by the bright lights and the froth of the social life of the city."

"The man I am looking for," my friend replied, "has ahead of him twenty-five years of the hardest kind of continuous, exacting work, requiring a strong body, a courageous spirit, a clear mind, unimpaired by worries, domestic or otherwise, or by social distractions which will engross the time and sap the energies which the business must have to put it over the top. I cannot afford to risk a man in this important position handicapped by a wife, no matter how devoted, who will not delight in

his advancement, share his ambitions, encourage and cheer him should reverses come—make for him a restful home more attractive than his club, keep pace with his growth and development, entertain his friends and make them hers—in other words, be a very real partner and helpmeet that he may put into this work the very best there is in him. Will she measure up to these standards? If so, I will give him a chance; if not, I cannot afford to make the experiment."

### Coal Men Find Novelty

#### In Commission's Report

THE COAL trade finds a welcome novelty in the Coal Commission's preliminary report of January 15 in that no harsh things are said to operators, wholesalers, and retailers, is the view of the *Coal Age*, which takes the ground that

The January 15 report has all the indications of a desire to avoid expressing conclusions until all the facts can be weighed. As a consequence, it may be predicted that the smaller consumers and a certain element in Congress will feel that the report is colorless and that the commission is not reaching the seat of the trouble. It does not express an opinion as to whether or not current prices are just. It does not say whether or not the miners are receiving a higher rate of wage than the consumers should be called upon to pay. No one is accused of profiteering. The report indicates in a general way something as to the spread between the cost at the mine and the delivery cost of coal, but it gives no clue as to who is responsible. Labor, transportation, over-development, storage and other matters are discussed, but little is said about the business factors in coal. For that reason it is certain that some of the gentlemen on Capitol Hill will conclude that the commission has written "Hamlet" with Hamlet left out.

The more constructive thinkers both within and without the industry seem to be agreed that the commission did well in making haste slowly. Even those who are expressing much disappointment with the report are inclined to suspend final judgment as to the possibility of the commission bringing out something concrete at a later date.

Fear that the commission may be led off the chief course of its inquiry is foreshadowed by the *Black Diamond* in the following plea:

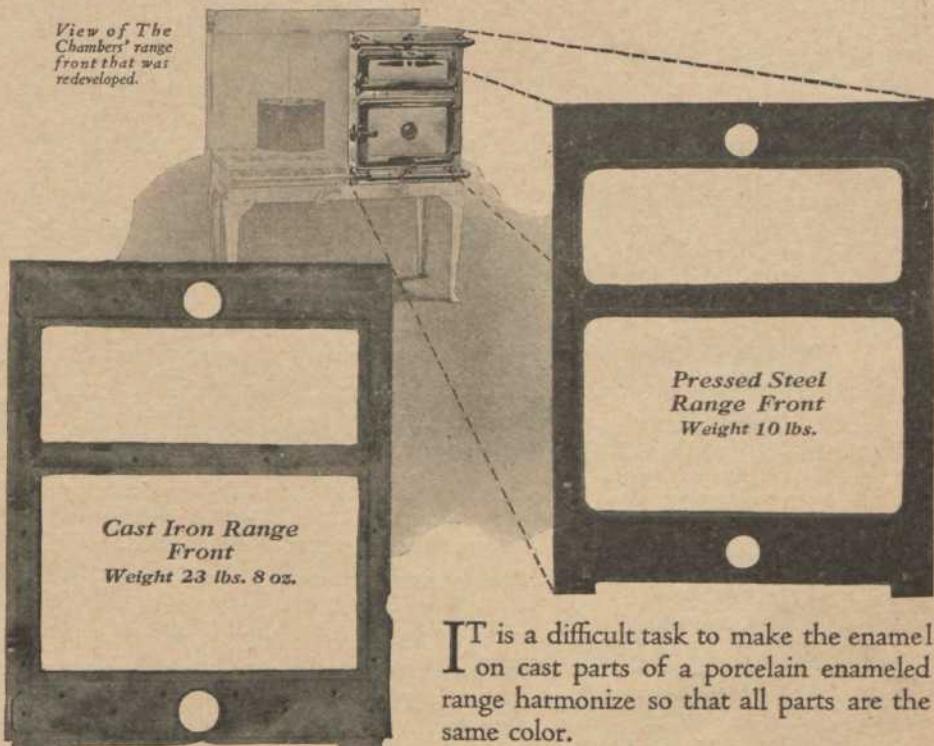
Gentlemen of the fact-finding commission, your services in the capacity for which you were appointed by the president are entirely too valuable to America to be vitiated by any extraneous act of yours. You are known to be above influence, above suspicion. The nation needs the invaluable service which you alone can render. In all friendliness we ask you, for the sake of the industry, for the good of the nation and for your own peace of mind, stick to your job until it is done. Let no desire, even so laudable a one as to make an attempt to effect composition of the present differences existing between the operators and the miners, divert your attention from your great task, or lead you into acts which will detract from your high-minded course.

In another number, the *Black Diamond* asserts editorially that "one of the major sports in America today is searching for and announcing the various things that are now alleged to be wrong with the coal industry." While the fault is being variously located in production, marketing, distribution, consumption, politics, and in other industries, the editor believes that "the coal industry may well seek for some of the evils inherent in itself," and he holds up the lack of sanctity of contracts as one of the basic evils of the industry. He writes:

When the time comes that the coal trade,

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in all its branches, recognizes the fact that a contract is a contract and is equally binding on all parties thereto, a long step shall have been taken in curing the trouble of coal. Binding contracts mean that producers, middlemen and consumers, alike, can intelligently plan future operations on an intelligent basis. This will make for stabilization—and stabilization means the end of most of the confusion, most of the risk and most of the trouble now existing.

AGITATION for nationalization of the coal industry receives consideration from the *Coal Mining Review*, which refers to a report adopted by the international convention of the United Mine Workers of America. That report was favorable to nationalization of the mines, was adopted by the convention, and has been regarded as one of the declared policies of the United Mine Workers of America, even though an overwhelming majority of the mine workers of the United States are opposed to socialism, declares the *Review*, pointing out that much of the agitation for nationalization is traceable to representatives of the United Mine Workers, who authorized the appointment of a special committee to report on the nationalization of the industry, and that committee, after what is believed to be a comprehensive investigation of the entire subject, made a favorable report:

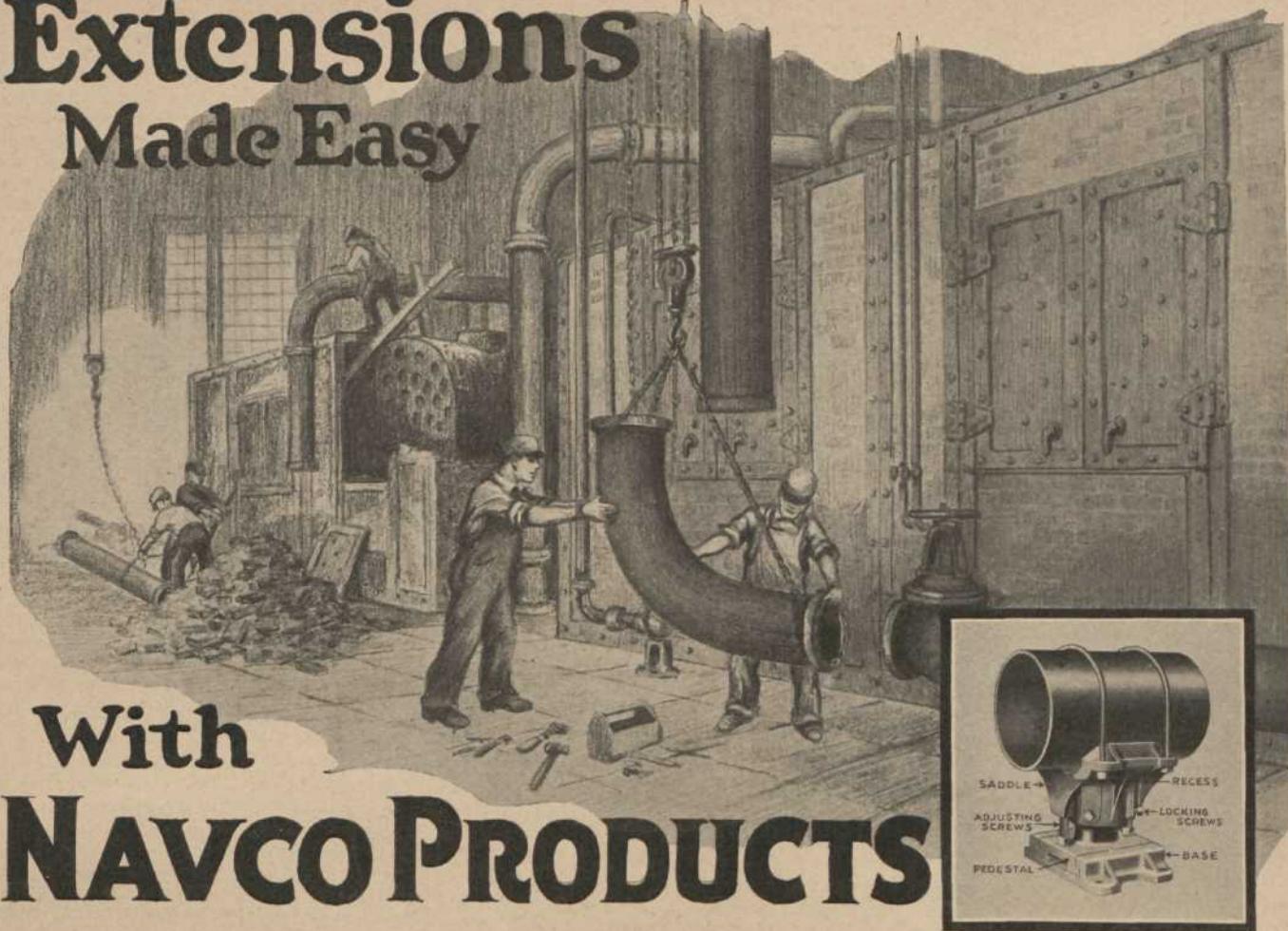
The agitation was carried on by that group of official leaders who believe in socialism and its application to all lines of activity. It seems that it is not strenuously opposed by the other group of official representatives of the United Mine Workers who are opposed to socialism. It is possible that the opposition was not strong because of rivalry among different district and international leaders to retain or acquire official positions within the United Mine Workers organization. . . .

Recently the editor of the *United Mine Workers' Journal* is credited with having made a statement that the United Mine Workers' organization was not in favor of nationalization of the coal mining industry. It is even inferred that the International Officers are not favorable to nationalization of the coal mining industry. A controversy on the subject has arisen which has resulted in the resignation of two members of the special committee on nationalization of the coal industry. One of the members who has resigned is from District 9 in the anthracite and the other is from District 2 in Central Pennsylvania and they have declared, at least by inference, that the question of nationalization of the coal mining industry is now a live issue and will be carried direct to the mine workers of the country for the approval or disapproval of the mine workers. If the proposition is presented intelligently to the mine workers of the country, the overwhelming majority will be against nationalization of the coal mining industry.

| The section of the Coal Commission's report suggesting a plethora of mines and miners draws crisp comment from the *Iron Age*, which presents its position in a pointed paragraph.

The Fact-Finding Coal Commission has located the seat of the difficulty in the coal business in the surplus of mines and miners. What then? It did not require a fact-finding commission to convince the machine tool manufacturers that there were too many machine tools being offered for the ordinary market to absorb, and some of them have already diverted part of their activities to other lines. The introduction of suitable manufacturing industries (presumably those depending on cheap fuel) into a few of the mining towns would solve the problem in the same way, and for mine owners and workers together.

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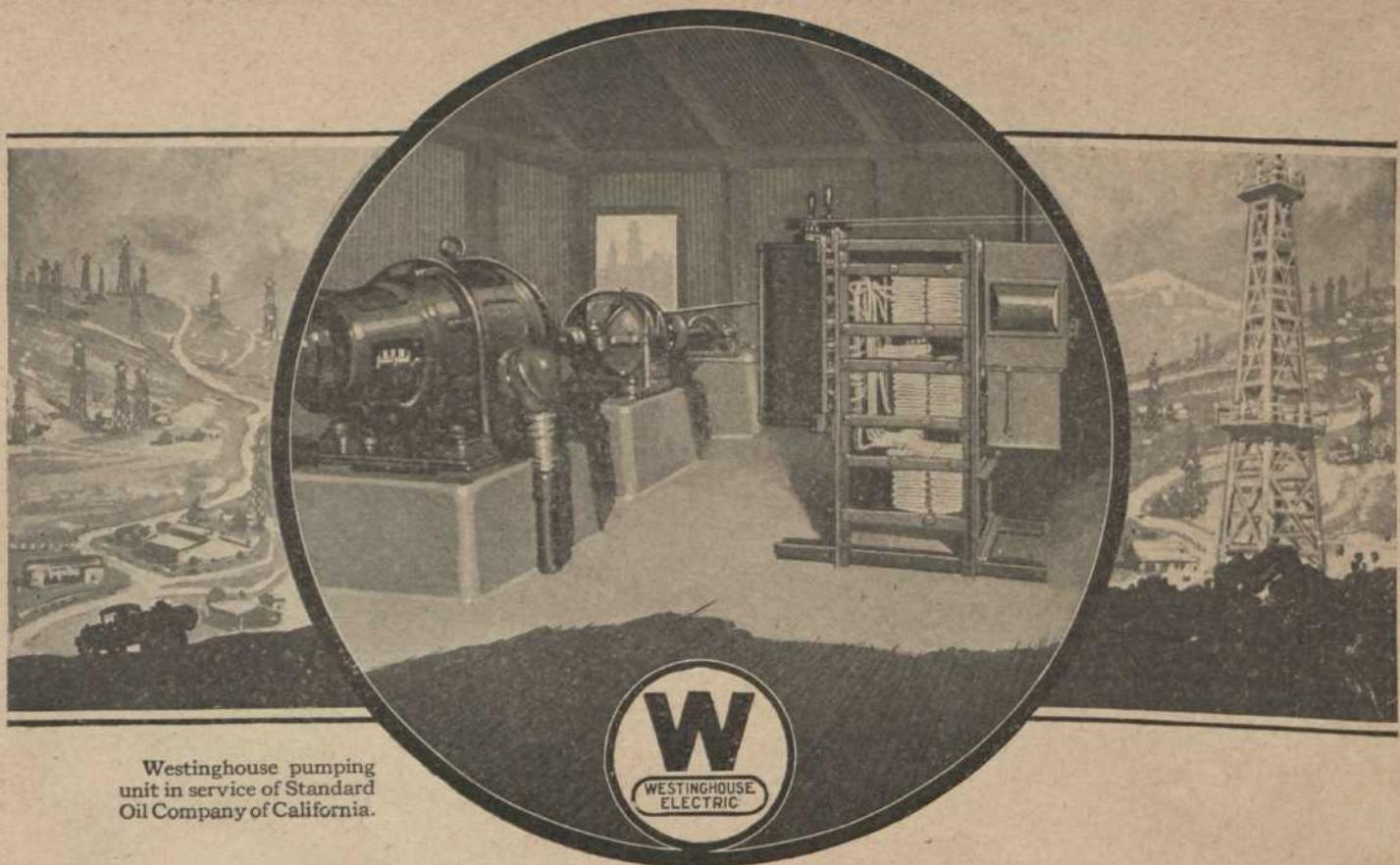
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